A Study Concerning Federal Labour Standards: Balancing Work, Family and Learning in Canada's Federally Regulated Workplaces

Final Report

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Executive Summary

I. Introduction

The purpose of this report is to provide the results of a 1999 follow-up study on Part III of the *Canada Labour Code* (Federal Labour Standards), and to link these results with selected findings from previous evaluation research conducted in 1997 and 1998.

In particular, this report examines the results of national discussions with workers, unions, employers and employer associations, including smaller, non-union workplaces. All of these were consulted for their views on the topics of the changing face of work, including non-standard work, and family-friendly and learning-friendly policies and practices in Canadian workplaces.[1]

II. Part III of the Canada Labour Code

Through Part III, the *Canada Labour Code* (hereafter the *Code*) defines conditions of employment such as hours of work, treatment of overtime, conditions of dismissal, and holidays for over 700,000 Canadians who work in federally regulated industrial sectors. Part III standards provide a basic level of protection for workers in the above areas, prohibiting certain treatment of workers, and maintaining societally desirable minimum working conditions. Sectors covered by Part III include banking, inter-provincial and international transportation (sea, air, rail, trucking), grain handling, communications, pipelines, and First Nations. Because these industries are key sectors in Canada's national infrastructure, federal labour standards have an importance far greater than the number of workers covered by the *Code* would suggest.

III. Substantive Focus: Three Years of Study

The 1997 evaluation: The overall research spanned a three-year period. The research began in 1996, when a first phase of the evaluation of Part III of the *Code* was initiated by Evaluation and Data Development in cooperation with the Labour Program of Human Resources Development Canada (HRDC).

That first phase of the evaluation was conducted in 1996-97 with a focus on compliance and non-compliance of employers with Part III and the costs and impacts of labour standards. The evaluation found that employer compliance was poor in many areas — for example, as regards specific provisions of the *Code*, and specific sectors, particularly the trucking industry. With a view to improving employer compliance, the evaluation pointed out the importance of enhanced information for, and education of employers about Part III.

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1 A number of terms such as "family-friendly policies and practices" are defined throughout the report and in Annex A.

The evaluation also indicated that Part III protected basic conditions of work for workers, that compliance with Part III of the *Code* was not costly for Canadian industry, that employers benefit from the *Code* establishing a "level playing field", and that there was good client (union and employer) satisfaction with the work of the Labour Program and the Labour Affairs Officers (LAOs).

The second phase of the evaluation, conducted in 1998, mainly examined the relation of Part III of the *Code* to labour market changes. In particular, the 1998 evaluation looked at non-standard work (for example, increased contract and at-home work), and how work is harmonized with *family life* and *lifelong learning*. This research was mainly based on national surveys of workers and employers in both federally regulated and provincially regulated industrial sectors.

The 1998 evaluation research indicated that non-standard work was a rapidly growing phenomenon, and one accompanied by greatly heightened worker feelings of job insecurity. The report also noted that *long hours of work* was a major problem for a substantial portion of Canadian workers, with more than half of all federal sector workers reporting challenges or difficulties of varying degrees in balancing work and family life — for example, as regards needs of children, or the growing problem of eldercare. The 1998 research also pointed to noteworthy unmet needs of Canadian workers in the area of balancing work with learning goals.

Both employers and workers placed considerable emphasis on the need for Canadian workplaces to be changed to aid family life, learning and other goals. In this context, workers and employers each had priorities for changes. For example, workers gave specific priority to improved job security and paid leave for family emergencies. Employers gave specific priority to changes such as more opportunities for workers to work from home, and protecting self-employed workers with labour standards.

But many workplace changes were a priority for *both* workers and employers. Specifically, both employers and workers (albeit the latter generally more strongly) noted that the following types of workplace changes would be desirable: providing workers with the right to time off in lieu of overtime (as a mechanism to aid the reduction of chronic overtime); better access to flextime; encouraging employers to provide skills training; more assistance for child care; improved health and safety in the workplace; ensuring that employee benefits can be transferred to a new job or self-employment; and paid educational leave.

This follow-up study was undertaken in 1999 with several key goals in mind. *A first goal* was to build on findings from the 1998 evaluation research. As such, this study was to *focus on non-standard work and balancing of work, family and learning*. The main concern was with providing a more in-depth understanding of these issues — how worker needs and workplace conditions interact and so on. This part of the research included specific consideration of non-standard work and its impacts on and implications for workers. Attention was also given to related issues such as worker views on job security and job flexibility needs of workers in their pre-retirement years. Finally, the study examined particular needs of smaller, non-union workplaces.

A second goal was to provide confirmation or *validation* of certain results from the 1998 surveys. Thus the study identified illustrations of issues in balancing family life, learning and work, identified best practices and solutions, and showed how workplaces change. For this reason, the study emphasized "on the ground" research, focus groups with workers in federal sector workplaces across Canada. To ensure balance in this validation effort, matching interviews were undertaken with employers (see Study Methodology, below).

Another goal was to examine worker and employer views of the kinds of changes which employers and workers feel they would "buy-into" with a view to improving the quality of work in federally regulated workplaces. The study also examined worker and employer views of the potential roles for government and others in achieving these types of goals. To achieve such goals, a variety of approaches emerged, including possible changes within Part III but more importantly, also changes in approaches to information, education, best practices, etc.

A related goal was to consider *linkages* between such diverse concerns as working conditions, corporate culture, demands of family life, learning, productivity, absenteeism, employee retention and economic productivity. These linkages were seen as providing an understanding of the ways in which workplace change could be beneficial, and an understanding of how such positive *changes* might be brought about by partnerships between employers, unions, government and others.

IV. Study Methodology

This 1999 study collected new data from *focus groups* and *interviews* with workers and employers, as well as consultations with union representatives and employer associations. Additionally, the study included a *review of literature* on family-friendly and learning-friendly policies and their potential economic benefits.

Consideration was also given to *international examples*, such as the model of the U.S. *Family and Medical Leave Act* and its implementation, and other models such as the Australian "best practices" model for supporting family-friendly policies. Findings from this 1999 study are interwoven with the findings from the 1998 surveys to address the broader study objectives.

The focus groups were arranged in sites chosen to cover geographical locations stretching from Vancouver to St. John's.[2] Thirty-two groups were scheduled with small, medium and large companies, union and non-unionized workplaces. These groups covered a diversity of industries, including banking, transportation (trucking, sea, air), communications, grain handling, Crown corporations, and others. The focus groups were conducted in both official languages by senior research team members, using a discussion guide which had been developed based on the findings from the previous evaluation research. Matching interviews were undertaken with the employers for each of the workplaces where worker discussion groups were held.

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2 Specifically, Vancouver, Regina, Winnipeg, Toronto, Ottawa, Montreal, Sydney, and St. John's.

V. Findings of the Study

Broad Findings: The consultations with employers, union representatives and workers indicated a number of somewhat unique concerns, as well as some more common concerns, which will be explored later. Unique concerns were:

- **Employers** indicated that they would like Part III to be more *flexible*, so that they could make arrangements with their workers or unions which would better meet the particular needs of their types of business. Simply put, they would like *less regulation* and more flexibility in labour standards overall. Many employers also indicated they would like to give *more input* to HRDC on labour standards.

- **Union representatives,** in contrast, wanted *stronger enforcement* of Part III, and stronger support for minimum standards including family-friendly policies. A number of union representatives wanted to know how the Labour Program was intending to improve compliance with the *Code*, and argued that this need preceded the need for education, best-practices, etc. Union representatives also noted specific *gaps* in the *Code*, such as the need for a standard regarding *work breaks*.

- **Workers** generally indicated that they know very little about their rights under Part III. Many workers indicated that government and employers should do more to *provide more information directly to workers*, so they can understand their rights. This finding complements the 1997 survey findings regarding employers' lack of information about Part III, and underlines the importance of education-information in Part III implementation.

Overall, the focus groups and interviews also provided good *validation* of the 1998 evaluation research, with indications that:

- Non-standard work and long hours of work have remained significant phenomena and continue to grow as major issues for Canadian workplaces;

- Workers continue to face considerable difficulties in balancing family life and work, and in many cases in balancing work with access to learning opportunities; and

- Important areas of common ground exist between employers and workers on the desirability of a more flexible Part III and greater workplace flexibility, and the desirability of improved family-friendly policies and support for lifelong learning.

Many *specific findings* were noted as shown below for each area of the research, with a brief summary of findings regarding each of the key themes: non-standard work, family and work, work and learning, and related issues. Additionally, a brief summary is provided of *insights from existing research*, particularly on the indicated economic benefits of family-friendly and learning-friendly workplace policies, and regarding international illustrations of program approaches to these goals, specifically in the U.S. and Australia.

Specific findings on the changing face of work and growth of non-standard work: Focus groups and interviews indicated the following:

- Employers and workers noted that *non-standard work was growing* — with increased use of part time work, contract work, at-home work and so on. Additionally, many features of the changing Canadian workplace were reported to produce *high pressure on the job*. Some of these factors, particularly as reported by workers, included increased competition, long hours, greater customer demands, increased job mobility, technological change and pressures for lifelong learning. Although some workers welcomed overtime, long hours of work and unwanted overtime were major concerns for many workers, as were other job features which required time away from home.

- Non-standard work was reported to be growing in *all types of workplaces* by both workers and managers, as was a rapid rate of workplace change and other aspects of work pressure (long hours, time away from home, etc.). These conditions were widespread in union and non-union and large and small workplaces alike. One variation was that larger companies were more likely to encourage at-home work, and some variations were also noted by industry — different types of non-standard work or workplace pressures were evident in different industries. For example, contracting was prominent in banking, long hours in trucking, and so on.

  Some employers had *flexible and supportive workplace policies* to offset the impacts of the above types of pressures, but these practices were not generally comprehensive or widely implemented. Such policies were appreciated by workers, and employers also reported that these types of policies were *economically advantageous*, that they resulted in reduced absenteeism, improved employee satisfaction, greater productivity, etc.

- *Workplace consensus:* Workers and employers in many workplaces shared a view of the desirability of reducing pressures of work through flexible and supportive work practices, although practices were found to be generally far behind the expressed needs of workers. They also generally shared the concerns for change found in the 1998 surveys, as regards overtime, flextime, and so on.

- *Corporate culture* — company mission, human resources policies, attitudes and values of managers and supervisors, attitudes of employees — was found to be a key factor in workplace readiness to introduce flexible and supportive workplace practices.

- Workers and employers generally expressed similar views on some issues related to the *Code* and the Labour Program. They emphasized the desirability of a *flexible Code* to deal with various types of work pressures, and *provision of information, education and best practices* as a key role for government to aid workplaces in developing responses to flexibility-related workplace needs.

Focus group and interview results on balancing work and family: Findings regarding family and work echoed those noted for workplace responses to non-standard work, changing work conditions and work pressures generally:

- Employers were found to be *highly variable* in their response to workers' needs to meet family responsibilities. Many employers provided a wide range of flexible work and family-friendly policies and practices such as flextime, family leave, and so on. But most employers were reported to do little to aid the balance of work and family.

- *Unionized workplaces* were generally found to be very similar to non-unionized workplaces in balancing of work and family life, with unionization only slightly related to supportive policies. This lack of substantial effects reflected the uneven role of unions: in some workplaces, unions aided family-friendly policies, while in others family issues were reported to be simply "not on the union's agenda".

- Similarly, *larger workplaces* were very much like other workplaces, although slightly more likely to have family-friendly policies. A specific examination of *smaller non-union workplaces as a group* showed few major differences from other workplaces. Smaller workplaces, however, often evidenced greater difficulties with schedule adjustments because they have fewer staff, making it more difficult for other workers to substitute for those with a pressing family need, etc. *Industry and type of workplace:* office-type workplaces were generally more able to provide family-friendly policies. In other sectors, the very nature of the work — particularly its relation to time — made it more difficult to allow flexible schedules. For example, radio and television companies are driven by the need to "get out the news.... as and when it happens," while airlines and railways have to run on schedule, and the mail has to be delivered regardless of unpredictable daily volumes.

- *Corporate culture* was also found to be a key factor in workplace response to family needs, for example, with follow-through a policy often depending upon the attitudes of managers and supervisors. Culture was also reflected in *informal* practices which were found to have a major influence on meeting workers' family needs.

- Where family-friendly policies or practices were in effect, employers reported that they resulted in *important economic advantages* such as savings from reduced absenteeism, improved worker satisfaction, and improved retention of valued employees. Worker satisfaction with these provisions was also substantial.

- *Workplace consensus:* Workers and employers in many workplaces shared a view of the desirability of family-friendly policies (flexible workplace policies generally, including flextime, alternative treatment of overtime, family leave, etc.), a flexible *Code* more generally, and an information/education role for government as a key way to aid the balance of work and family needs.

Focus group and interview results regarding work and learning: Workers and employers emphasized the importance of flexibility for learning goals, with key points similar to those previously noted in discussions of non-standard work and family issues:

- Widespread *interest in lifelong learning* was highly prominent in the focus groups and interviews: workers and managers alike emphasized the importance of learning to work and life generally. These discussions emphasized the degree to which lifelong learning has become a major concern of Canadians.

- Yet employers were found to be *highly variable* in their responses to the needs of workers for learning (as was found for flexible and family-related policies generally). Many employers provided a wide range of flexible work and supportive policies and practices to aid learning (e.g., paying tuition, allowing flexible schedules or time off), but most employers did very little or nothing to aid learning.

- As with family issues, workplace characteristics, such as unionization and size were not major factors predicting support for learning. Focus groups suggested that *unionized workplaces* have a variety of learning-friendly policies, but generally are very similar to non-unionized workplaces in terms of promoting lifelong learning. Similarly, the focus groups suggested that *larger workplaces* were somewhat more likely to have learning-friendly policies, but only slightly so. And the examination of *smaller non-union workplaces as a group* showed only that smaller companies reported slightly greater difficulties in providing schedule changes and financial aid for learning objectives.

- Where learning-friendly policies or practices were in effect, employers reported that they benefited from important *economic advantages* such as savings from improved employee skill, morale, worker satisfaction and improved retention of valued employees.

- Employers and workers both saw *tax incentives*, particularly for employers, as a desirable feature to aid lifelong learning, rather than employers or workers paying all direct costs for learning. They argued that assistance for learning investments was desirable, since the investments would benefit society generally over the years.

- *Workplace consensus:* Workers and employers in many workplaces indicated the desirability of specific learning-friendly policies (flexible workplace policies generally, including direct supports for learning such as adjustable schedules, educational leave, and so on).

As was noted in general for workplace change and family issues, workers and employers generally saw *workplace culture as a key factor in support for learning.* They also saw a flexible *Code* as an important underpinning of learning initiatives, and an information and education role for government to aid expansion of learning initiatives.

Other findings from the focus groups and interviews: Some other findings from the focus groups and interviews were:

- As to *job security issues*, workers reaffirmed their views of need for improved security of benefits (ability to transfer benefits), and protections when jobs end. At the same time, many workers emphasized lifelong learning and skill development as the key to *employment security* — the ability to obtain new, productive employment. A key contextual element emphasized by workers and employers alike, was the uncertainty of a long-term relationship between workers and employers in today's rapidly changing workplace. Additionally, workers in small companies indicated a desire to have better access to benefits not presently provided by many smaller firms.

- As regards *issues in pre-retirement*, many workers expressed concerns about the timing and financing of retirement, and also about learning about retirement. Even so, flexibility issues emerged in many discussions. Some employers were found to provide a variety of practices intended to aid workers in pre-retirement planning, and transitions. Generally, these practices — for example, gradual retirement or reduction of work time, or time-off for retirement planning courses — were reflective of broader flexible and supportive workplace practices. The extent of use of these types of practices could not be ascertained from this study, but where they were offered, workers and employers both reported benefits.

- As to *how workplaces change to meet worker needs*, corporate culture was reported by workers and managers to be a key factor in workplace response to flexibility needs generally, and family and learning needs specifically. This was noted to be particularly true for larger workplaces, where focus groups and interviews indicated that supportive policies and practices were not always reinforced by managers (buy-in from supervisory staff), performance reviews, and so on. Workers noted that short-term operational priorities often took precedence over policy.

  Discussion groups and interviews emphasized that small specific practices could often be changed to aid workers. For example, not scheduling meetings late in the day (to better enable those with families to get home in time to meet family obligations). Consultation with workers and more involvement by union locals were also seen as important to change. More generally, it was noted that small workplaces often lack policies, but compensate by meeting workers' needs through informal practices.

The findings from focus groups with workers and employer interviews pointed towards a strong feeling of need for change in Canadian workplaces, a need for more flexibility in the *Code*, as well as many benefits which might be obtained for workers and employers alike.

Findings from the literature review and related research (mostly reported in section 1.4 within) provided complementary insights and support for focus group and interview results, and were as follows:

- **Evidence on Costs and Benefits:** Extensive research on family-friendly policies from the U.S. and from Statistics Canada illustrated the very significant *potential of such policies to create billions of dollars in savings* across the broader economy. Related research also suggested significant potential cost savings for society more broadly, for example, where facilitating work-family balance aids the functioning of families, reducing social costs such as those related to family violence, family break-ups, etc.[3]

- **Role of Managers in Change:** Existing research also indicated that (reflecting the focus group findings on corporate culture) family-friendly policies were often reflective of the perspectives of managers. That research, particularly the major U.S. studies, shows that companies led by *female executives* and *younger male executives* are more likely to be sensitive to issues in balancing family and work, and more likely to introduce family-friendly and other flexible workplace policies than were companies led by older male managers.

- **International Lessons:** The *U.S. Family and Medical Leave Act (FMLA)* was presented in the literature as a striking illustration of how government can send an important message to business on the balancing of social and economic values. The extraordinary implementation process of the *FMLA*, with widespread use of media and technology to inform all employers and workers of the *Act* and its provisions, also represents an important example of how governments can obtain a high level of compliance with newly implemented programs. It was noted that the *FMLA* holds additional significance for Canada, because of the possibility of drawing certain lessons from these new U.S. labour standards.

  Similarly the *Australian "best practices" model* for labour standards was noted as a model that provides program approaches worth noting, particularly in its focusing of program objectives on family issues, in its emphasis on best practices, and in its support of best practices through broad informational efforts including extensive Internet applications. Additionally, the Australian model for *"internal agreements"* was noted as providing a broad basis for flexible workplace policies, while at the same time providing protections for workers and basic labour standards.

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3 This evidence of economic benefits associated with flexible, family and learning-friendly policies was also illustrated by the evaluation team's exploratory re-analysis of 1998 survey data. That analysis illustrated that Canadian firms with flexible workplace practices such as time-off in lieu of paid overtime, and family or learning-friendly policies were more likely to be reported as profitable, than were firms lacking these types of policies. See Annex C.

VI. Worker and Employer Suggestions for Workplace Change

Workers and employers had numerous suggestions for changing Canadian workplaces, including changes for Part III. Some of these (suggestions mainly from workers, but shared by employers, except where noted) were:

- Part III should be made *more flexible*. Suggestions, for example, from employers, included removal of the fixed upper limit on overtime hours (except as related to health and safety needs); that Part III should be able to accommodate a variety of different working arrangements that suit both industry-specific needs and needs of workers and employers. They particularly emphasized the view that "one size fits all" legislation does not work, and thus Part III must be flexible to meet the needs of the diverse industries covered by the *Code*;

- The *Code* should encourage *management/worker cooperation*, for example, allowing management and workers, by mutual agreement, to work out their own agreements on working conditions — to set specific practices (for example regarding hours of work) which would be more relevant to their industry (employers and workers);

- That the Labour Program should *collect and disseminate best practices*, particularly in family-friendly practices and workplace flexibility generally (employers, particularly larger employers, and also workers);

- *LAOs, employers suggested, should act as consultants*, providing technical expertise and advice in support of management/worker problem-solving, consistent with an information/education/best practices orientation;

- *Changes should be made to the legislation:* Both worker focus group participants and employer interviewees suggested that some specific changes should be made as regards, for example: allowing for time off in lieu of paid overtime (desired by many workers and also by a number of employers, as a means to enhance workplace flexibility); ensuring job security for those people who have to take time off to look after family members (family leave), (suggested by many workers and also by a number of employers); providing opportunities for educational leaves (suggested by many workers and also by a number of employers). Additionally, the need for provisions regarding "break" times was noted as a concern by unions;

- *Train workplace managers on family and other needs*, workers emphasized, to aid them in balancing these broader issues as a key part of their management responsibility, to maintain a more motivated workforce;

- *Workers should be informed of their Part III rights:* Many workers in focus groups suggested that employers and governments should do more to provide information — that key provisions of the *Code* should be posted, etc.; in a related vein, workers emphasized that those influencing regulations and workplace practices — most importantly employers and unions — should consult more with workers on their needs;

- *Benefits Programs:* As workers with the least amount of benefits (relating to paid time off to study, paid maternity leave, etc.) tend to work for smaller companies, it was suggested by some workers in such companies that governments should facilitate the development of benefits programs for the workers in small businesses. It was suggested by some of them as well, that this issue could be explored through key associations such as the Canadian Federation of Independent Business;

- *Encourage Skills Upgrading:* Workers strongly indicated that governments should play a greater role in facilitating skills upgrading in the workplace, in particular for those who are attempting to re-enter the workforce, so that they may be updated in the latest technologies. More on-the-job skills training and upgrading was also seen as essential. These concerns were also echoed by many employers;

- Government should provide incentives for employers to encourage them to implement family-friendly and learning-friendly policies, for example tax benefits; government, industry associations, and other organizations (including unions) should also make use of other more symbolic incentives, for example award or publicity programs to recognize outstanding employers in these areas (suggested by both employers and workers).

VII. Conclusion

An overriding study finding was that employers and workers expressed a general desire for more flexibility in federally regulated workplaces to address workplace change. Employers want the flexibility to be able to respond rapidly in their workplaces to changing market conditions. Workers want to be able to take advantage of flexible working arrangements which allow them to create a more balanced work and family life, and which provide for better opportunities to achieve lifelong learning goals.

Many study participants noted that the flexibility philosophy in workplaces is about being open to different thinking and fresh approaches. This involves taking on new challenges and means finding creative flexible approaches to allow continuous improvement of work. It is this type of flexible approach that may be developed with a view to achieving a healthy balance between work and family life.

This study suggests that employers and their workers and unions all have key roles to play in achieving such goals. Many employers have implemented more flexible and family-friendly workplace policies and practices over the past decade, and many workers are taking advantage of such policies and practices. However, not all workplace environments are equally supportive of new ways of operating. Attitudes of some employers, unions and workers who are not open to change present some of the major obstacles.

Also, employees of smaller workplaces frequently are unable to take advantage of flexible working arrangements because there are not enough people to divide the work in a way that allows for flexibility. As well, certain jobs, by their very nature, do not easily allow for flexible working hours, and require more innovative approaches to aid the balance between work and family life.

Study participants suggested that some of these needs could be addressed within Part III, but that equal or stronger emphasis for HRDC should be placed on information, education, partnerships, etc. Study participants were generally in agreement that rules and regulations regarding federal labour standards were not necessarily the most effective way or only way of promoting family-friendly workplaces, of responding to changing workplaces or of supporting lifelong learning. Rather, they emphasized that, given basic standards and protections for workers, a more prominent role for government should be that of a facilitator — in providing information, in reporting best practices, in keeping abreast of changes as they are happening, and in promoting the development of partnerships between government, employers and unions.

Because many of the suggestions of workers and employers revolve around the interests and collaboration of key partners — workers, employers, unions, associations and — *widespread consultation* on this report could be useful.

Management Response

Labour Program Management has reviewed the final report of the Federal Labour Standards Evaluation (FLSE), Phase III, completed in 1999. Overall, management views the FLSE as a successful project, which covered a broad range of topics by incorporating a diverse set of innovative approaches.

The evaluation accomplished its objectives by providing an accurate picture of current working conditions as they exist within the federally-regulated workplace. The study confirms that federal jurisdiction employers and employees are experiencing challenges regarding the balancing of work and family responsibilities, changing work patterns, rapidly evolving non-standard forms of work and the need for continuing education. The evaluation describes the links between productivity and job satisfaction on the one hand with flexible, reasonable hours of work and progressive education and family care policies on the other hand.

The findings and observations contained in the evaluation provide a useful basis upon which to develop promotional, educational and legislative initiatives in the future. The evaluation will be shared with key client groups and will contribute to discussions regarding legislative options as well as the further development of educational material.

1. Introduction

Purpose of this Report: The purpose of this report is to provide the results of a 1999 follow-up study on Part III of the *Canada Labour Code* (hereafter the *Code*), and to link these results with selected findings from previous evaluation research conducted in 1997 and 1998. In particular, this report examines the results of national discussions with workers, unions and employers, regarding their views concerning non-standard work and family-friendly and learning-friendly policies in Canadian workplaces.

Topics of concern, which are detailed in *Section 1.2 Objectives*, include the current situation of work in Canada and the balance of work with family life and learning. The report also presents suggestions made by workers and employers for possible workplace changes.

Part III of the *Canada Labour Code:* Through Part III, the *Code* defines conditions of employment such as hours of work, treatment of overtime, conditions of dismissal and holidays for over 700,000 Canadians who work in federally regulated sectors.[4] Part III standards provide a basic level of protection for workers in certain areas, for example, prohibiting certain treatment of workers, and maintaining societally desirable minimum working conditions. Sectors covered by Part III include banking, inter-provincial and international transportation (sea, air, rail, trucking), grain handling, communications, pipelines, and First Nations.[5] Because these industries are key sectors in Canada's national infrastructure, federal labour standards have an importance far greater than the number of workers covered would suggest.

Federal labour standards are paralleled by similar regulations which are applied by each province and territory to provincially and territorially regulated sectors (e.g., manufacturing, services, retail and wholesale, agriculture [excluding grain handling], health, education, and so on). Part III of the *Code* is administered by the Labour Program of Human Resources Development Canada (HRDC). Other parts of the *Code* regulate Labour Relations (Part I), and Occupational Safety and Health (Part II).

Three-Years of Study: In 1996, an evaluation of Part III of the *Code* was initiated by Evaluation and Data Development, in cooperation with the Labour Program, HRDC. The first phase of the evaluation was conducted in 1996-97 with a focus on compliance of employers with Part III. The second phase of the evaluation, conducted in 1998, was concerned with gathering information to identify considerations for the Labour Program, with a view to keeping Part III of the *Code* responsive to social change and the changing

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4 Altogether, Part III encompasses some 16 areas of conditions of work such as payment of wages, notice, severance, maternity leave, and many others.

5 It is noted that many of these federal business sectors, particularly those involving transportation and 24-hour operations may pose particular challenges for family life, for example when workers must be away from home for extended periods. Even so, most of the stresses of work on family life were also found in provincially regulated business sectors, although sometimes with different types of non-standard work features.

nature of work. That research focused to a great extent on how work is harmonized with family life and lifelong learning. This follow-up study has been undertaken in 1999 to expand upon findings from the preceding evaluation work and to validate and cross-reference certain results.

1.1 Past Evaluation Research on Part III of the *Canada Labour Code*

1.1.1 The 1997 Component of the Evaluation (Phase I)

The evaluation of Part III of the *Code* began with an initial study, completed in 1997, which focused on the Labour Program's *operations and delivery of Part III*. Issues examined included employer compliance with Part III, information needs of employers, satisfaction with the program, costs and benefits, and future possibilities for Part III. Data for the 1997 study was collected through surveys of Labour Program staff, both in Ottawa and across the country (including a survey of Labour Affairs Officers (LAOs)), and through national surveys of unions and employers.[6]

That evaluation research indicated that Part III had a number of *positive impacts* for Canada as a whole. For example, the 1997 study demonstrated that Part III benefits workers by protecting basic conditions of work, and that Part III benefits employers by establishing a "level playing field". As well, the evaluation noted high client satisfaction with the Part III program, and indicated that cost-effectiveness of Part III was positive.

However, *employer **compliance** with Part III was often found to be poor, particularly because employers were unaware of specific provisions in the Code*. For example, employers were found to widely disregard the Part III provisions controlling amount of overtime. Non-compliance regarding other aspects of the *Code* was found to be an issue for all types of employers, but a particular concern was noted for smaller businesses, for example, in the trucking sector, which were more likely to be in non-compliance. In relation to compliance issues, LAOs who were surveyed expressed concerns that more powerful tools were needed to aid their enforcement work, particularly to deal with employers who were chronic violators of Part III.

A related issue noted was that the Labour Program faced a high level of complaints from workers which require mandatory investigation under current legislation. This rate of complaints was noted to be growing over a multi-year period examined. It was noted that the resulting demands on the program prevented informational and educational activities that were needed to improve employer compliance.

Considering these factors, the 1997 evaluation outlined a number of possible options for modifying the mission and strategy of the Part III program. Particularly, it was suggested that the Part III mission could be improved through expanded educational and informational activities, and specialized enforcement activities, and by providing new

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6 The 1997 surveys were completed by 378 employers, 78 unions, and 74 LAOs. See HRDC, 1997, for detailed methodology and findings.

enforcement tools for LAOs. Overall, it was noted that such changes could improve compliance, and thus reduce the Department's costs for enforcement.[7]

1.1.2 The 1998 Component of the Evaluation (Phase II)[8]

The second phase of the evaluation research, conducted in 1998, mainly examined the relation of Part III of the *Code* to labour market changes. Specifically, it looked at the impact of changing working conditions and the impact of increasing non-standard work (contract, temporary work, at-home work, etc.) on workers. The research also examined a variety of other characteristics of work seen as affecting family life and learning — including chronic overtime, shift-work, work requiring travel, and other work arrangements outside of a typical 9-5 workday.

The primary data for the 1998 evaluation research was collected through two national surveys of employers and workers, which represented the first surveys of their type for national samples of Canadian employers and workers. These surveys sampled 600 federally regulated employers and 600 federally regulated workers. An exploratory, comparison survey was also conducted of 200 provincially regulated employers and 200 provincially regulated workers.[9]

The findings of these surveys pointed to a number of ways in which working conditions (particularly long hours of work) negatively affect Canadian workers as regards lifelong learning and the quality of family life. A number of these 1998 findings are summarized immediately below providing the specific context for this current report.

Non-Standard Working Arrangements: The 1998 research indicated that in the federally regulated sector, the proportion of workers engaged in non-standard and increasingly high pressure work has significantly increased over the past few years, particularly in comparison with provincially regulated sectors. This assessment was reaffirmed by the 1998 worker survey which indicated that the incidence of chronic overtime and unusual hours of work was generally high and increasing. Indeed, more than half of all federal sector workers reported that they usually worked more than 40 hours a week.

These results suggest that the phenomenon of "long hours" noted by Duxbury *et al.* (1992b), and in the media throughout the 1990s, may have evolved into a more severe problem of *chronic overtime*, for many Canadian workers, by 1999. Generally, *chronic overtime* was reported by substantial numbers of workers in most of the federally regulated industries.[10] Validation of these results was seen in the fact that employer reports of use of overtime also appeared to be increasing, according to the 1998 surveys. As well,

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7 See HRDC, 1997, for detailed findings.

8 See HRDC, 1998, for detailed findings.

9 Altogether, surveys were completed by 444 federally regulated employers and 468 federally regulated workers, and by 134 provincially regulated employers and 144 provincially regulated workers, which provided comparison responses. See HRDC, 1998, for detailed findings.

employers reported increases in the number of workers working at home, and increases in other types of non-standard work.

The 1998 worker survey also indicated that the trend towards non-standard work has been accompanied by increased feelings of job insecurity, income insecurity and stress. Worker insecurity centred around a number of economic factors, including erosion of real earnings, difficulties coping with new modes of (non-standard) work, and insecurity associated with constant change and the need to adapt. Considerable insecurity regarding *worker benefits* was also noted, specifically the need for some contract or part-time workers to replace benefits which had been available to them when previously employed in traditional full-time work arrangements.

Federal sector employers were found to provide only limited access to flexible workplace practices to offset these pressures. Only 39 percent of employers provided their workers with access to time off in lieu of paid overtime, and this was not accessible to all workers (only 20 percent of workers reported they could take time off in lieu of overtime). The evaluation concluded that the changing world of work — the expansion of non-standard forms of work, relative inflexibility of workplaces, and changing definitions of the worker-employer relationship — means that today, Part III faces increasing obstacles to ensuring that desirable minimum conditions of work are met.

Family-friendly[11] **Workplace Policies/Practices:** The 1998 survey results also indicated that many workers in federally regulated industries have difficulty in balancing the demands of home and work. ***Chronic overtime*** *was a key factor in these difficulties for workers*, although many employers reported that they provided flexible working conditions and a variety of family-friendly policies. For example, 33 percent of employers reported providing paid leave for family emergencies to care for children, 22 percent reported providing paid leave for workers to care for elderly parents, and 25 percent of employers reported providing employee assistance programs.

Yet, most employers reported no such policies or programs. Not surprisingly, more than half of all federal-sector workers reported various types of problems in balancing work and family needs. This group included over 30 percent of workers who reported that long hours interfered with family life, and 19 percent of workers who reported that their job schedules were often incompatible with family needs.

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10 In the 1998 evaluation study, both incidence and rate of increase in chronic overtime was found to be greater in federally regulated as opposed to provincially regulated sectors.

11 By family-friendly workplace policies/practices, we mean workplace policies or practices which aid workers in balancing the demands of work with the needs of family life. For example, such policies include allowing sick days for care of a sick child or parent, allowing time off to meet teachers, and so on. Note that while the 1999 study focused on *family* needs, the broader 1998 evaluation also examined time-away-from-work needs of single persons, which were also often negatively affected by workplace requirements. Galinsky and Bond (1997), p. 144, note that many employees who are seen by their employers as single are actually in family relationships. Such a fact underlines the reality that many workers are unwilling to reveal details of their family lives to their employers.

Many of these workers indicated that their jobs did not provide satisfactory time to address the needs of sick children or elderly parents. Thus, federal sector workers, and also many of their employers, noted concern in the 1998 study about the effect of long hours of work on families, and expressed a desire for more flexibility in work hours.

In particular, the 1998 evaluation observed that workers were attracted to the practice of obtaining *time off in lieu of paid overtime*, a practice which many employers appeared to support. Similar findings were noted for workers in provincially regulated sectors, although chronic overtime was less common for these workers.

These survey findings underlined the fact that significant social costs result when work disrupts family life, and that resulting family problems or stress can also flow back to the workplace, creating costs for employers. This *two-way flow of stress and costs* between work and family is well documented by a wide range of research (see: Bond et al., 1998), and such stress has been estimated to cost the Canadian economy billions of dollars each year.[12] Some of this research on business and social costs is discussed in greater detail in Section 1.4.4, where the business case for family-friendly workplace policies is outlined.

Lifelong Learning:[13] The 1998 evaluation survey findings also clearly showed that workers see a constant and growing need to upgrade and train themselves for new challenges in the workplace. Workers indicated that governments and employers should do much more to assist them in improving access to educational upgrading through skills training, and through mechanisms such as educational leave.

Many employers were found to provide assistance for this type of training — for example, 53 percent reported providing on-the-job training. Employers often assisted non-work-related learning as well. For example, 45 percent of employers reported that they paid workers' fees or tuition, 36 percent reported allowing time off with pay for education training, 35 percent reported allowing schedule adjustments for education training and 13 percent reported that they provided paid educational leave.

Most employers, however, provided little or only partial support for learning opportunities. Thus, while 48.7 percent of federally regulated workers in the Phase II survey reported good-to-excellent employer supports for learning, there was still a significant proportion of workers (over half) who suggested that features of their main job such as long hours of work presented significant obstacles to their learning and education goals.

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12 See: Duxbury, Linda, Christopher Higgins, Catherine Lee and Shirley Mills. "Time spent in paid employment" in *Optimum: The Journal of Public Sector Management*. Vol. 23, No. 2. Autumn 1992, pp. 38-45.

13 The OECD has a useful discussion pertaining to lifelong learning which portrays a kind of definition: "Successful participation in lifelong learning may be said to display four characteristics: individuals are motivated to learn on a continuing basis; they are equipped with the necessary cognitive and other skills to engage in self-directed learning; they have access to opportunities for learning on a continuing basis; and they have financial and cultural incentives to participate". (OECD, Education Policy Analysis, July 1998). Defined this way, learning-friendly policies of an employer could include paying tuition for courses, allowing time-off or flextime for courses, etc.

Thus, federally regulated workers generally indicated that long and irregular hours of work or other workplace characteristics often make it difficult for them to obtain further education and training, particularly education or training beyond that directly relevant to their specific job. These reported difficulties in balancing work and learning mirrored the difficulties reported earlier regarding balancing work and home life, with long hours being seen as the key obstacle to learning.

Significantly, similar findings were reported for the provincially regulated employers and workers who were studied, suggesting that these issues regarding home life, learning, and work encompass the Canadian economy in general.[14]

Conclusion — need for workplace change: Overall, the 1998 surveys suggested some agreement between employers and workers on the value of bringing about potential changes in Canadian workplaces. Both employers and workers placed some importance on the need for Canadian workplaces to be changed to aid family life, learning and other goals.

In this context, workers and employers each had specific priorities for changes. For example, workers gave specific priority to improved job security and to paid leave for family emergencies. Employers gave specific priority to changes such as more opportunities for workers to work from home, and protecting the self-employed with labour standards.

But some workplace changes were a priority for *both* workers and employers. Specifically, both employers and workers noted (albeit the latter generally more so) that the following types of workplace changes would be desirable: providing workers with the right to time off in lieu of overtime (as a mechanism to aid the reduction of chronic overtime); better access to flextime; encouraging employers to provide skills training; more assistance for child care; improved health and safety in the workplace; assurance that employee benefits can be transferred to a new job or self-employment; and paid educational leave.

The desirability of such workplace changes was supported to varying degrees by both workers and employers, however.[15] what was not clear was how they felt these goals could be achieved.

1.2 Objectives of the Current Study

A Focus on Work, Family and Learning: The specific objective of this follow-up study was to build on the 1998 evaluation findings, with special regard to worker and employer assessments of issues and needs in family-friendly workplace policies (particularly those

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[14] Note, however, that survey results indicated that federally regulated workers receive slightly more employer-sourced training than their provincially regulated counterparts. Federally regulated employers also seemed more willing to accommodate training for their employees, particularly by paying tuition.

[15] Widespread interest in these issues has also been reflected in other recent public discussions, such as those generated by Saskatchewan's recent Public Task Force on Balancing Work and Family.

allowing for greater flexibility), lifelong learning, and non-standard working arrangements. Some attention was also given to related issues such as worker assessments of job security and flexibility needs of workers in their pre-retirement years.

Validation as a Goal: More broadly, another objective of the 1999 study was to confirm or validate findings from the 1998 surveys by examining the issues of family-friendly policies, learning, etc., currently operating in actual workplaces across Canada. Also, while the results of the previous evaluative research indicated some degree of commonality of employer and employee opinions on some workplace changes, greater clarification on the potential for some shared support was seen as desirable.

Issues in Part III: To advance our understanding of issues in Part III, another objective was to clarify the kinds of changes which employers and workers feel they would "buy into" to improve the quality of work in federally regulated workplaces in the future. Issues developed in the 1999 study involved:

- Identifying worker/union and employer/employer association views of specific needs regarding family-friendly policies, lifelong learning, and non-standard working arrangements;

- Identifying areas of consensus among workers/unions and employers/employer associations for bringing about family-friendly and learning-friendly workplace changes;

- Examining other matters, such as job security for workers in the changing world of work and linkages between pre-retirement needs and family-friendly policies and lifelong learning;

- Identifying specific considerations as regards smaller non-union workplaces and examining characteristics of workplaces hypothesized to be most in need of these kinds of changes; and

- Identifying potential for change in these areas and the business and societal costs and benefits of such changes.

Building Linkages: As will be demonstrated later in this report, another goal of the study was to illustrate the important connections which exist between such diverse concerns as working conditions, corporate culture, the demands of family life, productivity, employee retention (and non-retention factors such as notice and severance pay), and economic productivity.

1.3 Overview of the Methodology

The findings for this study are drawn primarily from focus groups and interviews conducted with workers and employers. Supplementary data was drawn from union and employer association consultations and a review of literature related to family-friendly and learning-friendly policies and their economic benefits. Findings from this 1999 study are interwoven with findings from the 1997 and 1998 surveys.[16] The overall result is a report which addresses the study issues, and assesses the broader need for change in workplaces, from the perspective of workers and employers.

1.3.1 Review of Literature, and International and Other Contacts

Literature: To draw on findings from past research, a literature review examined the economic benefits of work-family practices and lifelong learning. Numerous studies from Canada, the United States, and Europe were reviewed. As well, an Internet search provided initial details of the implementation of the American *Family and Medical Leave Act* and work of the Australian government's Work and Family Unit.

International and Other Contacts: Telephone interviews with Canadian and international contacts provided additional information on regulatory and education/best practices approaches in the U.S. and Australia. Contacts included the International Labour Organization, the U.S. agency responsible for the administration of the U.S. *Family and Medical Leave Act*, the Families and Work Institute, New York, New York, best practices groups such as the family and work council of Purdue University, the California United Way, and the family work council of the Conference Board of Canada.

1.3.2 Stakeholder Consultations

To obtain background information for the implementation of the focus groups and interviews, initial consultations were held with key stakeholders such as the Canadian Labour Congress; Provincial Federations of Labour and individual unions; Federally Regulated Employers of Transportation and Communication Organizations (FETCO); the Canadian Bus Association, the Canadian Courier Association; the Western Grain Elevator Association, the Saskatchewan Wheat Pool; the Canadian Bankers Association; and the Canadian Federation of Independent Business. Employer consultations provided views on key Part III issues such as the regulatory approach, and also provided contacts to obtain advice in selecting study participants and locations.[17] Representatives of organized labour, including the Canadian Labour Congress's working group on labour standards, provided perspective on organized labour's views of Part III issues.

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16 Detailed results of the surveys conducted as part of the 1997 and 1998 evaluation research (to supplement the overview provided in Section 1.1) are available in the evaluation reports (HRDC, 1997 and 1998). An overview of the methodology for the 1999 study is given below, with additional notes in Annex B.

17 Representatives from employer associations assisted in the planning of discussion groups in a number of ways including: providing membership lists; providing referral contact names to individual firms; and arranging meetings with senior members of associations.

1.3.3 Focus Groups and Interviews

National Focus Groups and Interviews: To collect the in-depth data, interviews were arranged with employers, and discussion groups with workers were conducted across Canada. This work was undertaken with a sample of firms, representing a variety of federally regulated industries across the country. Small, medium and large companies were included in the study, with union and non-union workplaces being represented (see Annex A). Priority was placed on studying *smaller and non-union workplaces* for two reasons: (1) such firms are more typical of firms in the federal sector; and (2) workers in smaller, non-unionized workplaces were expected to have greater needs for protection than those in larger or unionized workplaces.

Logistics of the Focus Groups: Thirty two focus groups were organized across Canada as the main source of data collection for the 1999 study. Lists of federally regulated employers were obtained from Labour Program Technical Advisors (TAs); industry associations, and through the sample of employers surveyed in Phase II of the evaluation. Employers were contacted by telephone, and were provided information about the study and the discussion groups.

Employers were asked if they would be interviewed as part of the study, and if a discussion group could be held with 6-12 of their workers. Employers who showed an interest in the study were sent an information kit about the study by FAX following the telephone discussion, and were re-contacted several days later to confirm their participation in the study. Typically, participants in the worker focus groups were then recruited through their employers.

In all, 32 focus groups were held across Canada. As planned, this final sample included a substantial number of smaller and non-union workplaces, in addition to medium size and larger and unionized workplaces.

Characteristics of Firms: Focus groups were arranged in sites chosen to cover geographical locations stretching from Vancouver to St. John's.[18] Focus groups were scheduled with small, medium and large companies, and a diversity of industries, including banking, transportation (trucking, sea, air), communications, grain handling, Crown corporations and others. The groups were led by senior researchers, in both official languages, using a discussion guide based on the findings from the previous evaluation research. Thus, the focus group workers were selected to provide views from small, medium and large workplaces, in union and non-union settings, representing a range of industries across the country. (See Annex B for selected additional details.)

Content of Discussions: Employees were asked a number of questions relating to the impact of non-traditional working arrangements, how the world of work has changed, the impact of the changes on their family and personal lives, the importance of lifelong

[18] Specifically, Vancouver, Regina, Winnipeg, Toronto, Ottawa, Montréal, Sydney, and St. John's.

learning, challenges in participating in lifelong learning, work-life and lifelong learning practices which are being implemented in workplaces, and what can be done to improve any constraints identified in the discussion.

Interviews And Discussion Groups With Employers: Interviews were undertaken with employers for all companies which participated in the discussion groups. Names and telephone numbers of the employers were obtained from industry associations, FETCO, the survey sample used for Phase II of the evaluation, and Labour Program TAs and LAOs. Additional telephone interviews were undertaken with employers from small companies who did not have the resources to allow their workers to participate in a discussion group. Some employers participated in industry-association level discussion groups.

Cross-Verification of Data Sources: Cross-references between the different data sources (1997 and 1998 surveys, literature and the 1999 focus groups and interviews) are made in a number of places to provide context or to test the generalizability of findings. In some cases, cross-validation includes multivariate analyses of survey data.

Overview of the Balance of the Report: In Section 1.4, existing research is examined on the changing world of work, family and work and learning and work, and related issues of cost-benefits. Section 2 examines results of the 1999 study and their relation to other findings. Section 3 outlines some worker and employer suggestions. Section 4 concludes the report.

1.4 Background on Family-friendly and Learning-friendly Policies

The changing nature of today's economy and workplace creates particular tensions between different elements of individuals' lives — for example in balancing time commitments to work, family and learning. This section of the report sets the background for the information added by the 1999 study, by providing an overview of what was previously known about these phenomena, including socio-economic impacts, and the business case for family-friendly and learning-friendly workplace policies.

1.4.1 The Changing Face of Work and Related Social Change

The Changing Face of Work: Canadian businesses have been facing, and are continuing to face many changes, both in the business environment they are operating in, and in the demographic make-up of their workforce. As well, advancing technology is continually changing the way work is conducted. For example, across the economy as a whole, there is tremendous and continuing growth of service industries. As well, global competition is increasing the need for companies to be as productive as possible.

Changing Work Force: At the same time, the workforce itself has changed. Today's workforce includes a higher proportion of women, heads of single-parent families, members of dual income families, older workers, and persons from diverse cultural and religious backgrounds. Labour shortages in certain industries make it increasingly

important for employers to ensure that these labour pools are used effectively. Further, employers must deal with a diversity of attitudes and expectations about the roles of men and women in work and family life.[19] Thus, the complexity of a changing business world is complicated by social change more generally.

These changes underline the growing need for business to pursue strategies which encourage productivity and commitment from their current workers. Given the demands of personal lives, and the diverse needs of a multicultural workforce, more and more companies are choosing to offer workers flexibility in working arrangements to maintain a stable and loyal workforce. Such flexibility is seen as a support for family life and an incentive for lifelong learning, enabling business to increase productivity and ensure longer-term loyalty from workers.

1.4.2 Some International Trends in Family-friendly Policies

Research and policy to address the balance between work and family have been an increasing concern of analysts and governments over the past decade,[20] and many innovations have emerged internationally. A number of these efforts to improve the balance of family and work deserve mention, and provide useful models for program development. Two particular examples are commented on below. First, the U.S. *Family and Medical Leave Act* and its implementation, and second, what could be termed the Australian approach to family-friendly workplace policies.

The U.S. *Family and Medical Leave Act (FMLA)*: Until 1994, Canada generally led the U.S. in the area of family-friendly legislation. For example, Canada has had a long standing provision for maternity leave, which was not the case in the U.S. federal jurisdictions until 1994. The U.S. *FMLA*, which was implemented in 1994, is interesting from a Canadian perspective, however, in that it provides some benefits for American workers which Canadian workers do not have. Most importantly, the *FMLA* allows for up to two weeks of unpaid *family leave* or *medical leave* each year for employees of companies covered by the legislation,[21] whereas Part III of the *Code* has no such provision.

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19 It is widely assumed that the issues of balancing work and family life are challenges primarily for female workers, who are more likely to have particular family responsibilities (picking up the children from day-care, shopping, etc.). However, a recent study conducted in the United States found that work and family conflict is as great for males as it is for females, because stress of chronic overtime falls to a greater extent on males. See: James A. Levine and Pittinsky, Todd L., *Working Fathers: New Strategies for Balancing Work and Family* New York: 1197, Addison-Wesly Publishing Co.), cited in Public Task Force on Balancing Work and Family, *Towards More Work-Family Balance in Saskatchewan*. Saskatchewan Labour, August 1998, p.11. Levine and Pittinsky's conclusions regarding gender are consistent with findings in the 1998 Part III evaluation (HRDC, 1998).

20 The International Labour Organization provides a useful overview of policy initiatives internationally. See: International Labour Office, 1993, *Workers With Family Responsibilities*, a paper of the International labour Conference, 80th Session, Geneva. Some other interesting discussions include works by Helle Holt and Tineke Willemsen. See bibliography for complete references.

21 The *FMLA* covers all employers with 100 or more employees. For additional information see: U.S. Department of Labor, Employment Standards Administration, *Family and Medical Leave Act of 1993*, May 1993; and Commission on Family and Medical Leave, *A Workable Balance: Report to Congress on Family and Medical Leave Policies*, April 1996.

Such a provision may be desirable for Canada, to build on the best lessons to be drawn from labour regulations in the broader North American market. However, for Part III of the *Code*, the more interesting aspect of the *FMLA* may well be the efforts to implement it.

The *FMLA* was a milestone in the development of American public policy regarding families — indicating a heightened importance of family and the quality of life in the American policy agenda. Its passage sent a message to employers throughout the country, and its implementation process showed the seriousness of the will behind the *Act*. Efforts of the U.S. government to effectively implement the new Act, through education, information and research have been extensive. In an effort to educate the public on the *FMLA*, the Wage and Hour Division of the U.S. Department of Labor initiated and maintained an extremely aggressive educational program which evoked a very strong public response.

To illustrate, the *FMLA* information campaign included: distributing public service announcements (television, radio) to all major markets (believed to have reached "virtually all Americans"[22]); and distributing 345,000 publications and placing user-friendly information on the Internet — over 13,000 individuals have accessed the "Employment Laws Assistance for Workers and Small Business" (*ELAWS*) system on the Internet for *FMLA* compliance assistance information, since November, 1997.

Additionally, the process included: establishing a "1-800" inquiry number; responding to over 625,000 telephone inquiries to the toll-free number; giving nearly 2,800 speeches, seminars, and media events with associations of employers, unions, professionals and other stakeholders; and distributing an *information poster* on the *FMLA* for employers to display for employees (display is required by the Act).

The *FMLA* has also been accompanied by ongoing research on its implementation to ensure effectiveness, through a Commission established specifically to assess implementation, and the research to date has suggested that the Act has dramatically changed the way in which workplaces deal with family matters. The scope of this effort is illustrative of the kind of educational effort which can accompany effective labour standard changes. The *FMLA* shows how the educational or implementation features of a program can be as important as the legislation itself.[23]

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22 Personal communication with the Office of Enforcement Policy, *Family and Medical Leave Act* Team, U.S. Department of Labor.

23 Reflecting this continuing priority, it is notable that in early 1999 expansion of the *FMLA* coverage to companies with 25 to 49 employees was on the Clinton legislative agenda. See: *National Report on Work and Family*, January 26, 1999, p. 13.

Australia — A Governmental Best-Practices Model: In Australia both federal and state governments have instituted educational and best practices models as a key element of their strategy to promote the harmonization of family and work.[24] This effort includes the widespread dissemination of best practices information to workplaces on how to assess needs and set up family-friendly policies and practices.

The Australian model has several important features. First, the new Australian legislation in this area sends a significant message on family life, with its design centred on family issues. Secondly, the *Act* promotes "best practices" as a key approach, with informational (Web site, etc.) efforts providing employers and unions with a wide range of tools and models for making workplaces more family-friendly. This effort obtains additional implementation "muscle" from the redesign of the enforcement staff role to include facilitation of implementation of best practices — enforcement staff are a source of expertise and assistance in implementing policies.

A related aspect of the Australian model is the mandating of *internal agreements*, whereby employers and workers (and/or their unions) are empowered to set internal working standards subject to the observance of overall standards. Internal agreements must be reviewed by labour standards enforcement officials and cannot provide a package which, in its overall content, disadvantages workers' protections as regards minimum standards for work.

1.4.3 Issues in Balancing Work and Family

Throughout the 1990s, research has shown that workers face many challenges in balancing their work and family lives, and that a variety of workplace remedies can be applied. For example:

- **Work Time and Schedules:** Workers often work overtime, or hours which conflict with family schedules. Both of these factors have been linked to higher employee stress levels.[25] Anecdotal evidence suggests that simple steps — for example, banning early morning and late night meetings, and allowing workers the responsibility of scheduling their own work — reduce these problems and result in higher worker productivity.[26]

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24 Several Web sites were examined, including the Government of Western Australia Department of Productivity and Labour Relations site (www.doplar.wa.gov.au), and the national site for the Federal Department of Work Relations and Small Business (www.dwrsb.gov.au). As regards these Web sites, for example, the Western Australia site includes a wide range of publications and reports from conferences, and "how-to-do-it" kits on topics such as *Family-friendly Work Practices*, and *Parental Leave*. Similarly the Federal Site includes information such as the legislative overview *Changes in Federal Workplace Relations Law — Legislative Guide*, and (at www.dwrsb.gov.au/workfam) how-to-do-it information on making family-friendly agreements, eldercare, permanent part-time work, job-sharing, career breaks, at-home work, and so on.

25 Galinsky, Ellen, et al., Dec. 1990. "The impact of Human Resource Policies on Employees: Balancing Work/Family Life", in *Journal of Family Issues*, Vol. II, No. 4, pp. 370.

26 For example, *Business Week* reports an illustration, that: "A product development team in Webster, NY banned early morning and late-night meetings, which had pushed into family time, and eliminated reports to give engineers more time to think. The reported result was more satisfied engineers, and the first on-time launch of a new product in the business' history" or "Managers at Xerox Corporation's Dallas customer-administration center handed over responsibility for scheduling shifts to workers themselves and saw an overnight drop in absenteeism-and then higher productivity." Reported in Keith H. Hammonds, "Balancing Work and Family: Big Returns for Companies Willing to Give Family Strategies a Chance" in *Business Week*, September 16, 1996, pp. 74-80.

- **Child-Care:** Numerous studies have found that difficulty in making child-care arrangements is a major predictor of parents' absenteeism and stress levels while at work; that there is a link between child-care quality and parents' stress; and that lack of child-care for school-age children is also a significant cause of absenteeism.[27] Remedying this problem can be a key concern for employers with a younger workforce (who are more likely to have children).

- **Eldercare:** With the increasing life expectancy of Canadians, more and more workers are faced with the need to balance work with time to care for elderly parents,[28] a need often calling for flexible work schedules. The 1999 focus groups and interviews suggested that this will be an increasing concern of Canadian workers and employers in coming decades.

Workplace policies, practices and other characteristics which the literature indicates facilitate the balancing of family and work demands include:[29]

- **Flexible and Supportive Work Policies:** For example, job sharing, flextime, options for trading work shifts, child care, at-home work, and (more traditionally) employee assistance programs.[30]

- **Job Autonomy and Job Demands:** Research has found that when workers themselves have the power to solve the work problems they face, they are more likely to have lower levels of stress and are more likely to feel that their job does not interfere with their family life.[31]

- **Supportive Supervisory Relationships:** Research examined in this study indicates that supervisory support for dealing with work/family issues tends to reduce stress and that supervisory work/family support is linked to workers' perception that they will be able to balance work/family problems.[32]

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27 Galinsky, Ellen, et al., Dec. 1990. "The impact of Human Resource Policies on Employees: Balancing Work/Family Life", in *Journal of Family Issues*, Vol. II, No. 4, p. 369, and Bond, James T., Ellen Galinsky and Jennifer E. Swanberg. *The 1997 National Study of the Changing Workforce*, 1998: New York, Families and Work Institute.

28 Galinsky, Ellen, et al., Ibid, p. 371.

29 Many companies' family oriented programs are illustrated in articles in human resources and related magazines. For example, see: Faught, Leslie, "At Eddie Bauer You can Work and Have a Life", April 1997, Workforce, pp. 83-90; and more generally, Wolfe, Leslie and Jennifer Tucker, *New Frontiers for Worker Friendly Companies*, June, 1996, Centre for Women Policy Studies, Washington, D.C., and most issues of *The National Report on Work and Family*.

30 See, for example, Bond, James T. et al. (1998).

31 Galinsky, Ellen, et al., Ibid.

32 For example, a National Council of Jewish Women Centre for the Child study, *Employer Support for Childcare*, New York, 1988, reports that for almost 2,000 employed women studied before and after childbirth in 80 communities, having a supportive supervisor was roughly equivalent to having a supportive spouse in its effect in reducing stress. Also see: D. Hughes, *Child Care and Working Parents*, Paper presented at the annual meeting of the American Psychological Association, New York, August, 1987), and Galinsky, et al., Ibid, p. 372.

- **Supportive Organizational Culture:** Corporate culture[33] is a factor which affects how workers are able to balance work and family demands. Research has noted that corporate culture "is predictive of stress-related health problems, parents worrying about their children while at work, and the perception that child-care problems impair productivity".[34]

The multiplicity of these findings suggests that when policy, supervisory practices and organizational cultures are all positive, they are likely to work together in the most supportive workplaces, to produce a high level of work-family balance.

1.4.4 The Business Case for Family-friendly Policies

Considerable existing research indicates that family-friendly policies make good financial sense and that this is understood by many human resources managers. For example, family-friendly policies are widely seen as reducing stress and absenteeism.[35] The economic value of family-friendly policies, however, is not necessarily understood and given priority by all workplace managers and supervisors. Many managers who were interviewed in this research were unaware of these benefits or ready to set such "theoretical" benefits aside quickly when faced by immediate real costs or conflicting operational needs. Below, the issue of costs-benefits is briefly explored in more detail, to assess just how solid this argument is for family-friendly policies.

Economic Benefits of Family-friendly Workplaces: A number of economic *costs* of not providing family-friendly policies, and *benefits* of providing family-friendly policies have been identified in the literature review.[36] They include:

- **Reduced Absenteeism:** Absenteeism — a major cost for businesses — has been closely linked to workers' inability to balance work and family demands. For example, one study found that in a typical year, family care problems caused workers to miss five days of work, to arrive late four times, and to leave early more than three times per year.

  Overall, absenteeism has been estimated to cost the Canadian economy between $2.7 and $7.7 billion annually, with family factors seen as a main cause of absenteeism.[37]

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33 In this case, by "corporate culture", is meant the company or workplace values, and related features such as the company mission, human resources policies and practices of the company, attitudes and values of managers and supervisors, and attitudes and values of employees, and how these are reflected in written policies, training and evaluation of managers.

34 See Galinsky and Bond, 1998.

35 A survey of 400 companies conducted in 1998 by Bright Horizons Family Solutions and William H. Mercer found that primary motives of employers centred on employee retention, morale and productivity, and that time off, leaves and flexible work arrangements were the most important initiatives to employers. See: 1998 *Survey on Work life initiatives*, Bright Horizons Family Solutions and William H. Mercer, cited in National Report on Work and Family, January 26, 1999.

36 "... in *The 1998 Business Work Life Study*, most human resources managers rated flexible work arrangements, child care and family leave as likely to produce benefits outweighing costs" (Galinsky and Bond, 1998).

37 Duxbury, Linda, et al, Autumn, 1992. "An Examination of Organizational and Individual Outcomes", in *Optimum: The Journal of Public Sector Management*, Vol. 23, No. 2, pp. 46-59.

A recent Statistics Canada study, for example, found that a remedial strategy — allowing employees to work on flexible schedules — resulted in workers being absent one-third less than those with more fixed working schedules.[38] Related research by Duxbury et al., 1999, provides strong support for the relationship between work-life conflict and absenteeism.[39]

- **Improved Morale and Commitment:** Numerous studies have shown that conflict between work and family responsibilities resuits in poor employee morale, and reduced work performance.[40]

  Research from one of the most important of the U.S. studies, the 1997 *National Study of the Changing Workforce* (Bond et al., 1998), has shown that better quality jobs and more supportive workplace environments are linked to higher worker commitment to the success of the company.[41] These findings are similar to those of a study of 18,000 Dupont workers which showed that employees who used company work-life programs were 45 percent more likely to indicate that they would "go the extra mile" to assure Dupont success.[42]

- **Increased Retention, Reduced Recruitment Costs:** Family-friendly policies and workplace support have been found to result in more satisfied workers and also a more stable workforce.[43] For example, in a study of First Tennessee National Corp., "supervisors who were rated by their subordinates as supportive of work-family balance retained workers twice as long as the bank average, and kept 7 percent more retail customers. In that case, higher retention rates were reported to contribute to a 55 percent profit gain over two years."[44] Improved retention in federally regulated industries might be beneficial for Part III, since the number of "severance" situations and related Part III complaints could potentially be reduced by reducing the rate of staff turnover.

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38 Statistics Canada. *The Corporate Response to Rising Health Care Costs*. Ottawa: Conference Board of Canada, 1996, cited in Public Task Force on Balancing Work and Family, August, 1998. *Towards More Work-Family Balance in Saskatchewan*. Saskatchewan Labour, p. 16.

39 Duxbury et al., *An Examination of the Implications and Costs of Work-Life Conflict in Canada*. Report to Health Canada, June 1999.

40 Public Task Force on Balancing Work and Family, Ibid, p. 15.

41 Bond notes, for example: "The quality of employees' jobs and the supportiveness of their work environments are far more important predictors of job satisfaction than earning and benefits." Bond, James T., et al., 1998. *The 1997 National Study of the Changing Workforce*. Families and Work Institute, New York, p. 124.

42 Susan Seital, et al. *Work and Family: A Retrospective. Research and Results from 1990 to 1996*. Minnetonka, MN: Work and Family Connections, Inc., 1997. Cited in Public Task Force on Balancing Work and Family, Ibid., p. 17.

43 Bond, James T., et al., 1998. Ibid, pp. 121-129.

44 Hammonds, Keith H. "Balancing Work and Family: Big Returns for Companies Willing to Give Family Strategies a Chance", in *Business Week*, September 16, 1996, p. 74.

- **Increased Customer Satisfaction:** A recent Conference Board of Canada study of five major Canadian and American companies found a positive relationship between customer satisfaction and employee job satisfaction. Workers' job satisfaction — the underpinning of customer satisfaction — was increased by access to work-family options which made it easier to integrate work and family.[45]

  Similar anecdotal evidence from a Xerox Corporation study supports these findings. Xerox found that customer satisfaction and sales had increased since the company introduced training for managers, flexible schedules, emergency dependent care, support for child-care centres and a full-time work-family co-ordinator.[46]

  Finally, a major tracking study of Sears in the United States examined the positive impacts of programs to improve employee satisfaction, of which family policies were one key part. This study demonstrated that family related policies contributed to major increases over a number of years in both customer satisfaction and profits.[47]

- **Reducing Work-related Stress:** Statistics Canada has estimated that stress-related disorders due to over-work cost Canadian business $12 billion per year, a substantial portion of this stress being related to poor balance of family and work obligations.[48] Such findings strongly support the argument that family-friendly policies reduce costs for business.

Two-way Impacts and Costs: Many researchers hypothesize that job performance and personal lives are linked with *two-way* flows of positive and negative effects. This research has suggested that work life is a significant source of workers' personal problems; that spillover from work into workers' personal lives can create or exacerbate problems off-the-job; and that personal problems in turn, spill over into work and diminish productivity. Breaking this cycle through reducing conflict between work and family life appears therefore, to be a key way to improve business productivity, as suggested above.

Broader Costs to Society: Yet the other direction of these impacts should also be of concern to public policy makers. As a key research team (Bond et al., 1998) has noted, "When job demands exceed some individually defined level, it seems that not even the

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45 Public Task Force on Balancing Work and Family. Ibid. p. 17.

46 Hammonds, Keith H. Ibid., p. 80.

47 This assessment was obtained from James T. Bond, who regards the Sears work as one of the most substantial indications of the power of family-friendly policies (personal communication). See: Anthony J. Rucci, et al., "The employee customer-profit chain at Sears", *Harvard Business Review*, January-February, 1998. On the topic of direction of causality, Bond argues that the Sears research and his own work shows that the main direction of causality is from family-friendly and supportive policies to profitability. In the same vein, Galinsky and Bond examined human resources managers' assessments of the costs and benefits of family-friendly policies, and found that about 80 percent of managers surveyed estimated that provisions were either cost-neutral or produced a financial gain for their companies. See: Galinsky and Bond, 1998.

48 Public Task Force on Balancing Work and Family. Ibid. p. 15. These findings are also reinforced by Duxbury et al., 1998.

most supportive workplace can protect workers from *negative job spillover into their personal lives* [emphasis added]. This spillover is reflected in high stress levels, poor coping, bad moods, and insufficient time and energy available for important people in employees' lives."[49]

Thus, Bond et al. argue that while family problems can spill over into work and impair job performance, the other direction of these negative impacts — job stress creating family problems — is also significant. Resulting cost impacts on society include social dysfunction resulting from lack of balance of work and family, in cases where this contributes to health problems, family break-ups, demand on community services, etc. These societal costs should also be considered when assessing the economic case for family-friendly policies. *These types of potential savings add a societal rationale for such policies, above and beyond the rationale for business savings alone.*

Altogether then, family-friendly measures appear to increase economic productivity and to strengthen family life more generally, with both business and societal benefits and cost savings. Costs of these factors, beyond concrete indicators such as absenteeism, are difficult to estimate with precision, but can be seen as including impacts on employee retention and societal costs of potentially billions of dollars.

Considering such potential business and societal economic savings, the key question becomes: can a suitable role be seen for labour standards in pursuit of the above sets of economic and social benefits? We will consider this question broadly in Section 2, but first we will consider the business case for *learning*-friendly policies.

1.4.5 The Business Case for Learning-friendly Policies

Does learning generally lead to economic benefits? Generally, the answer to this question, and one which is well-understood by business managers is — *yes*. Various studies identify positive impacts on a wide range of business outcomes such as employee satisfaction and retention, productivity and profits.[50] This business premise — that training, but also learning more generally, is valuable — is much more widely understood by business managers than are the views noted above regarding positive economic impacts of family-friendly business policies.

This view of the value of learning and training is reflected in the broad drive of industries and governments to promote education and learning which have been increasingly prominent throughout the 1990s. This view is also enshrined in broad policy objectives of governments to enhance *lifelong learning*.

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49 Bond, James T., et al., 1998, Ibid, p. 131.

50 These types of effects are noted, for example, by Bond et al., 1998, Ibid. Related citations on training and learning includes Betcherman et al., 1998, and others. See: Betcherman, Gordon, Norm Leckie, and Kathryn McMullen. *Barriers to Employer-Sponsored Training in Canada*. July 7, 1998. Http://www.ekos.ca/barriers.htm., and bibliography.

Business organizations throughout Canada echo the concerns of businesses world-wide with increasing training opportunities for their workers. As businesses emphasize training and learning in today's increasingly global environment, it is apparent that they are also looking much more closely at productivity and profit, which has led many organizations to change their perspective on training. They are trying to create a positive learning environment where growing knowledge and skills become key enablers to the success of the organization.

However, employers may vary in their acceptance of the value of training and learning depending upon the type of training (general learning is usually regarded by employers as less beneficial to business than job-related training), and who pays for it. And not all managers understand the value of training and learning, pointing to the need for ongoing education and cost-justification of these investments.

Barriers to Training: If employer-sponsored training has such positive business impacts, why are so many businesses reluctant to provide or facilitate training? Recent research has identified a number of barriers to employer sponsored training in Canada.[51] Some of them are: *Size:* Some researchers have found that the incidence of workplace training in small companies tends to be less than half that in large establishments. Offsetting this, the same researchers found that training expenditures per employee are higher in smaller establishments as compared to larger establishments; *Industry:* Manufacturing industries, retail trade, accommodation and food services tended to provide less for worker training; *Non-Standard work arrangements:* Because many non-standard work arrangements involve part-time work or contract work, and because employees who participate in non-standard work are perceived to have weak attachment to the firm, companies are less likely to invest in training for them.

A number of other disincentives to employer-sponsored training were also identified by the above research. For example, the researchers noted that conventional accounting frameworks can accurately measure the *costs* of training, but not the *return* on investment it provides. This means that when firms are investigating their investment alternatives, they may undervalue the rates of return on investment in human capital.

Second, *lack of information on training opportunities* may prevent some training from taking place. Companies and their employees may not be aware of where training opportunities are available, what course content is required to meet occupational requirements, or of the quality of the training offered by different suppliers. They note that these informational disincentives are particularly felt in smaller companies and companies in rural areas.

Third, *employee interest* is a factor. While employers are often willing to provide training when their employees ask for it, many employees often do not request training because of the demands in their personal lives. For example, the 1994 Adult Education and Training Survey (AETS) found that employee demand for training increased the likelihood of

51 Betcherman, et al., Ibid.

employer-sponsored training by one-third. However, AETS data also indicate that 55 percent of employees were too busy to take training, 29 percent found that the time or location of training was inconvenient and 12 percent reported that they could not participate in training because of family responsibilities.

Fourth, *employee lack of education* was found to result in less training. Studies have shown that the incidence of training increases with education and income and is much higher for workers in managerial, professional, and technical occupations than for those in clerical, sales and goods-producing occupations.

Finally, *lack of financial assistance* provided by government has been cited by 25 to 30 percent of employers as a barrier to training.[52] *Yet, in spite of these obstacles, training is a major determinant of productivity, competitiveness, and thus profits, and thus highly desirable, as is shown below.*

Evidence on the Economic Benefits of Training:[53] *Anecdotal illustrations* of paybacks abound in the business literature, underlying the validity of the popular view of the economic paybacks of training. For example, as one researcher reports, *using such methods, one company concluded that if trainees acquired coaching skills and demonstrated these skills on the job, the value added would be three times the worth of the investment.*[54]

Similar illustrations of the *cost of neglecting* training also abound in the literature. One downsizing company which was studied, for example, decided to save training expenses by shortening its entry-level training program for customer-service representatives from two weeks to one week, and then decided to track the effect of the decision. It was found that representatives who completed two weeks of training were able to complete a call in an average of 11.4 minutes, whereas those completing only one week of training took 14.5 minutes.

The bottom line was that the extra time required to complete calls cost the company more than $50,000 in lost productivity over six weeks. In addition, the cost of lost quality due to increased errors, increased collectibles, and service-order error rates exceeded the amount lost due to decreased productivity. *In this case, the cost of the firm cutting back on training amounted to more than $100,000.* Management of this company quickly restored the two-week training program and was (at last reports) contemplating expanding it.[55]

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52 Betcherman, et al., Ibid.

53 This discussion focuses on job-related training illustrations. The economic benefits of broader learning initiatives of companies are not well researched, although some impacts are suggested by Bond, et al. 1998.

54 Fitz-Enz, Jac. July 1994. "Yes...You Can Weigh Training's Value", in *Training*, pp. 54 -58.

55 Fitz-Enz, Jac., Ibid., pp. 54 -58.

Worker Responsibility: Recent thinking on how learning and training can benefit the bottom-line of the company also emphasizes the importance of each employee becoming responsible for identifying his/her own learning needs. This orientation is consistent with the basic view of lifelong learning found throughout this report. To be successful from a workplace perspective, both workers and their managers need to learn how to translate job requirements into learning needs by developing baseline measurements in helping to assess workers' current knowledge and skill level.[56]

Some companies are now approaching such continuous learning by building stronger partnerships with their workers. In making the fundamental assumption that improving workers' capacity to learn, grow and adapt is valuable, managers show they believe that this will bring them strategic competitive advantage, more satisfied customers and an increase in profits.[57]

While most writing on the benefits of learning and training have been anecdotal or strategic as noted above,[58] a number of *statistical studies* have directly measured the relationship between training and productivity. For example, to examine the relationship between on-the-job training and worker productivity, one study examined a statistical data set derived from the personnel records of a large company. The resulting analysis was clear in showing training's impact on wages and job performance. Even when selection bias in assignment to training programs was eliminated, training was found to have a positive and significant effect on both wage growth and the change in job performance scores, thereby confirming the robustness of the relationship between training and productivity.[59]

Another statistical study used data on the personnel policies and economic characteristics of businesses in the manufacturing sector to measure the impact of formal training programs on labor productivity. The major finding was that businesses that were operating below their expected labor productivity levels in 1983 and that implemented new employee training programs after 1983, evidenced significantly larger increases in labor productivity growth between 1983 and 1986.[60]

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56 Tobin, Daniel R. 1998. *The Knowledge-Enabled Organization*. American Management Association. New York.

57 Solomon, Charlene Marmer. April, 1999, "Continual Learning: Racing Just to Keep Up", in *Workforce*, pp. 66-68.

58 Assessments of the costs and benefits of training by business are generally limited, although increasingly sophisticated. Human resources managers increasingly recognize that executive level support for training requires some evaluation of the return or payback on training investments. Thus many training departments are introducing charge-back or cost-recovery systems for their training activities (directly linking training to customer satisfaction and therefore to the bottom line (profit)). See: McIntyre, David. 1994. *Training and Development 1993: Policies, Practices and Expenditures*, a Conference Board of Canada report. Conducting such assessments is not a simple matter.

59 Bartel, Ann P. July 1995. "Training, wage growth, and job performance: Evidence from a company database". *Journal of Labor Economics*; Chicago; Vol. 13 Issue: 3.

60 Bartel, Ann P. October, 1994. "Productivity gains from the implementation of employee training programs". *Industrial Relations*; Berkeley; Vol. 33, Issue: 4.

In the same vein, a national survey of workplace training was conducted which included linked employer-employee data with a longitudinal dimension. One of the issues covered was the relationship between training activity and establishment performance. It was found that when companies with training were compared to companies with no training, those with training had more favourable assessments of their recent performance and their business viability and outlook in general. Differences were statistically significant in all cases.[61]

Various *worker surveys* have produced comparable results. For example, the *1997 National Study of the Changing Workforce* (Bond et al., 1998, p. 130) noted that, after job security per se, learning opportunities represented the single most powerful predictor of worker retention — a key predictor of productivity.

Discussion: It is becoming increasingly obvious that lifelong learning is essential in the global, technology-based environment that we live in. But what should the role of each party — employers, workers, unions and government — be in supporting lifelong learning? Can there be a role for labour standards in increasing a learning orientation?

As seen in Section 2, immediately below, this study's focus groups, interviews and consultations provided a wide range of insights for federal labour standards, and many ideas regarding learning-friendly and family-friendly policies and practices.

61 Betcherman, Gordon, et al. Fall 1996. "Workplace Training in Canada: New Evidence on Incidence and Impacts". *Canadian Business Economics*, pp. 33 to 50.

2. *Work, Family, Learning and Other Issues*

Many useful findings emerged from this study's stakeholder consultations, interviews and discussion groups with employers, and focus groups with workers. These findings are reported below under the broad themes of the changing face of Canadian workplaces, balancing family and work, lifelong learning, and other issues. First we consider the broad issue as to whether the focus group and interview findings validated results of the 1998 surveys.

2.1 Validation of 1998 Results and Other Findings

Validation of the 1998 Results: Overall, findings from the focus groups and interviews were *very similar* to the results of the employer and worker surveys which were conducted in the 1998 evaluative research. *This was generally seen in worker reports on the intensity of workplace change, continued growth in non-standard work, increased demands for productivity, and long hours (Section 2.2 below); in reports of the difficulties which workers have in balancing family life and work (Section 2.3 below); in the difficulties of balancing learning and work (Section 2.4); and in other areas such as worker security and pre-retirement planning (Section 2.5).* Information from this study validated and clarified previous findings.

Other Findings: As well, some new information emerged more serendipitously from the consultations, discussion groups and interviews. For example:

- **Employers** indicated that they would like Part III to be more *flexible*, so that they could make arrangements with their workers or unions which would better meet the particular needs of their types of business. Simply put, they would like *less regulation* and more flexibility in labour standards overall. Many employers also indicated they would like to give *more input* to HRDC on labour standards.

- **Union representatives,** in contrast, wanted *stronger enforcement* of Part III, and stronger support for minimum standards including family-friendly policies. A number of union representatives wanted to know how the Labour Program was intending to improve compliance with the *Code*, and argued that this need preceded the need for education, best-practices, etc. Union representatives also noted specific *gaps* in the *Code*, such as the need for a standard regarding *work breaks*.

- **Workers** generally indicated that they know very little about their rights under Part III. Many workers indicated that government and employers should do more to *provide more information directly to workers*, so they can understand their rights. This finding complements the 1997 survey findings regarding employers' lack of information about Part III, and underlines the importance of education-information in Part III implementation.

SOME OF THE THINGS WORKERS AND EMPLOYERS SAID ABOUT CHANGES IN THE WORKING WORLD

"The biggest change in the work has been the faster pace."
— Grain handling employee

"Lots of people have to go to school to keep up — they need to be more educated to keep up, especially with computers."
— Employee from a trucking company

"Companies generally have to do more with fewer people these days which creates great stress for everyone... having a degree of control is a good way to alleviate stress and allows people to set their own goals and targets."
— Financial institution employer

"Overtime is now common at our company. They no longer have a softball team because no one can make the games because of overtime."
— Employee, Crown Corporation

"Customers don't consider regulations, fatigue, road conditions, etc. Customer demands cause stress....Do I keep driving and 'jimmy my book' or do I stop? The customer wants his stuff, the regulations say I have to stop. Who do I make happy?"
— Employee, trucking company

"Our company is deeper into competition... demands more of my time... My job looks exciting, romantic to outsiders — rock concerts, movie premieres. I enjoy those things, but it becomes a 24-hour job with a long lunch hour while you sleep."
— Employee, communications company

"You have to have more diverse skills now. Ten years ago, we were technicians. Today, you have to have good PR skills, producing skills as well as technical skills."
— Employee, communications company

"Retaining employees is as hard as finding new ones."
— Employer, Air Transportation

"The constant change is good because jobs are never boring now: there is constantly a challenge. Employees must re-learn how to do work based on new technologies."
— Employee, financial institution

"Competition has forced employers to streamline their operations, and this has added to workplace stress. The rigidity of the Code often makes it impossible for employees to ... alleviate that stress."
— Employer, financial sector

"Change in the economic climate has put pressure on workers to become more professional, more creative, more forward-thinking in career building."
— Employer, grain-handling sector

2.2 The Changing Face of Canadian Workplaces

2.2.1 Aspects of Change

The fact that workplaces are changing across Canada, and across all industries, was a recurring theme in the discussion groups and interviews, strongly validating the results of the 1998 surveys.[62] Interlinked changes which were mentioned by both employers and workers included, for example, the growing incidence of non-standard work, increased domestic and international competition, growth in long hours, higher customer demands, shortages of skilled labour, increased worker mobility between jobs, rapid pace of technological change, pressure for lifelong learning and less job security. Among all of these changes, long and increasing hours represented one of the greatest concerns of workers. Some details follow.

Non-Standard Work: Non-standard work — *contract work, at-home work, etc.* — was found to be a rapidly growing phenomenon. This was underlined by specific industry practices. Some industries, such as banking, reported that they currently hire more contract workers with specific skills than they did in the past. It was noted by managers that the increase in the number of people who work on contract can be attributed in part to the flexibility that working on contract provides to the workers. Contract work and other non-standard work was more generally seen as a benefit to employers — allowing them to deal more effectively, for example, with fluctuating demand, and customer demands (see below).

Increased Competition/Long Hours: Both workers and employers discussed how their industries were facing more international and domestic competition. In some companies, it was noted that the effects of operating in increasingly *competitive markets* has led to staff cutbacks and employer demands for longer hours to offset the impacts of workforce reductions.

Many workers noted they are under very high pressure — they have to work faster and more efficiently, and more work is being done by fewer people than in the past. Such *work intensification* was reported to be an issue in Crown corporations as well as private companies — with some reports of extraordinary demands on workers — sometimes with noteworthy increases in an already high incidence of *chronic overtime*.[63]

Many employers were found to provide *flexible and supportive workplace policies* to offset the above types of pressures, but these practices were not very widely implemented. Where they were implemented, such policies were approved by both workers and managers. Such policies were appreciated by workers, and employers reported that such policies were economically advantageous (reduced absenteeism, improved employee satisfaction, productivity, etc.).

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62 See HRDC, 1998, for detailed findings.

63 Golden outlines a number of issues in the assessment of overtime and its treatment relative to the treatment of conditions of work. See: Golden, Lonnie, *Family, Friend or Foe: Working Time, Flexibility, and the Fair Labor Standards Act*, March, 1997, Economic Policy Institute, Washington. http://epinet.org.

Customer Demands: Focus group participants noted a key factor contributing to the intensification of work is how today's customers expect much more from the goods and services that they purchase than they did in the past. This expectation has added extra stress on workers. For instance, one worker noted, "Working 9 a.m. to 5 p.m. is no longer the norm. Nowadays, people work night shifts, swing shifts, weekend shifts, part-time, on contract." These types of schedules have become necessary to meet customer demands for higher quality service. Workers noted that they feel a greater responsibility for ensuring that customer demands are met.

Increased Job Mobility: At most discussion groups, the expectation of lifelong relationships between employers and workers — seen as typical in the past — was widely reported as non-existent or, at best, uncertain in today's workplace. Workers from all industries reported that in general, the same type of "lifelong" employee loyalty is no longer expected or given by employers. This causes dilemmas in many workplaces, particularly as the still logical goal of retaining good workers for as long as possible is in sharp contrast to the practice of using contract workers. Some negative impacts were noted.

Bank workers, for example, warned that because of impermanent employer-worker relationships, the banks are often losing the experienced workers in the shift that is occurring in their workplaces. As one bank worker noted, this is so, even though "experience is the engine of the company. They have the contacts and the knowledge that come with history."

Regardless of the specific working arrangements between employers and workers, few workers — both contract workers and the more traditionally employed — believed that they would work for the same company for the rest of their lives.

Workers also discussed the dilemma which occurs when they are encouraged to take courses so that they have the necessary skills to keep their company competitive, but in so doing, the company may also be indirectly encouraging them to change jobs. With increased skills and experience, employees may be able to get better jobs elsewhere so that encouraging training can become a "negative" for employers. As one discussion group participant noted: "[employers] want to promote the idea that people are responsible for remaining marketable for the marketplace, but they also want to keep workers there."

Shortage of Skilled Labour: In many industries, such as banking, grain handling, and hi-tech industries, the shortage of skilled labour was discussed by employers and workers alike. Workers noted that due to skill shortages, companies were making more of an effort to keep their workers happy. At one company, for example, a discussion group participant noted that "our company's motto is *'We are nothing without our employees.'*" and that "it was not this way 10 years ago". Now the company is more interested in asking employees for their opinion about issues and makes a habit of consulting with workers. In the grain industry, one employer stated "we are scrambling to keep the good [employees]. Good employees are in demand everywhere. There is a huge demand for young graduates."

Often this means that larger employers are investing heavily in training for their workers in order to remain competitive.

Technological Change: Technological change is also seen as a key factor in adding to workplace stress. Typical comments expressed by workers in the discussion groups included: "There have been more changes in the past 10 years than there were in the previous 10" and "The only constant in our industry has been change...."

Lifelong learning is essential for workers: A related change which was reported in many focus groups was that new and changing technology and increased competition from global markets are making constant learning and upgrading mandatory. Simply put, the workplace now demands more diverse skills from workers today than in the past. People need to remain updated in order to effectively use ever-changing technology, software, etc., so that lifelong learning becomes essential for workers.

Reflective of the changes in the workplace due to the need for lifelong learning is that, at many companies, job descriptions are reportedly no longer as defined as they once were. At one discussion group at a communications company in Ontario, workers emphasized that their roles now encompass a core of loosely defined responsibilities as well as "whatever else needs to get done". Workers at many of the discussion groups reported that their employers expect them to "multi-skill" in this way.[64]

This expectation that workers will have the ability to multi-skill and multi-task was noted in many of the focus groups. For example, at one communications company, a worker described how your "good ideas" are generally given back to you to implement, regardless of your educational background or skills that may be required to implement the 'idea'. Again, such expectations require workers to continuously learn, so that learning becomes as imperative to keeping even their current employment.

In many cases, workers in the focus groups reported that they were actively taking courses *to ensure that they could retain their jobs*. It was noted that new workers are entering the workplace with different attitudes and current qualifications. They often already have the qualifications and designations which existing workers are being encouraged to obtain. Taking courses was one way that current workers felt they could increase their own job security, and protect their skills from becoming outdated.

Discussion: Focus groups and interviews emphasized the importance of *corporate culture and values* to effective responses to non-standard work and work pressures. Additionally, many suggested that the need for flexibility in the workplace needed to be reflected in a

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64 Such multi-skilling was seen as having benefits for both employers and workers. For example, at one communications company, workers were encouraged to learn other jobs and skills, whether they were related to their current jobs or not. The workers reported that this multi-skilling provided them with greater job security in an industry where jobs are often eliminated due to technology. They also reported that where they were able to multi-skill, personal stress decreased when they needed to take time off for emergencies because there is always back-up available.

more flexible *Code*. In the same vein, employers and workers alike emphasized the value of government providing information, best practices and related leadership.

2.2.2 Variations Across Different Types of Workplaces

Focus Group and Interview Variations: As was suggested above, the rate of change in Canadian workplaces is substantial and effects workplaces of all types, large and small, unionized and not, in all industries. Thus, the demand for overtime or just-in-time efforts to meet deadlines was seen in Crown corporations, banks, radio stations — in workplaces of all types.

In all these types of workplaces, the pressure of competitiveness, deadlines, overtime, and need for learning affected employers and workers alike. The most important difference noted was that small workplaces tended to have somewhat greater difficulty responding to these types of needs because of fewer human and other resources.

Survey Evidence on Workplace Variations: To consider the generalizability of these focus group and interview findings, we also reviewed selected data from the 1998 surveys, as noted below. Overall, these findings matched the focus group and interview findings suggesting that phenomena such as at-home work, contract work, and regular overtime were found in all types of workplaces — large and small, unionized and non-union. In the survey data, only one systemic variation was noted for company size, that is that large companies were more likely to use at-home work. However, some variations in the type of non-standard or changing work features were noted by business sector: Crown corporations and firms in the communications sector were more likely to provide at-home work; banks were more likely to use contract workers; trucking was more likely to require overtime or travel away from home.

Some of these features of work were seen as reflecting the ways in which workplaces allow different types of responses to workers' needs and represent different types of challenges. Large firms were more likely to be able to allow workers to work at home, for example. But some types of industries also face particular challenges in introducing flexibility or responding to family needs. These type of challenges were seen as particularly great in industries requiring travel away from families (trucking, air and rail transportation), or in businesses requiring 24-hour operations.

2.2.3 Conclusions Regarding Workplace Change

Extensive changes in Canadian workplaces over the past few years — work intensification, longer hours, technological change, higher expectations of job mobility, and learning pressures — were noted by workers and employers in all industrial sectors and in all regions of the country.

Additionally, workers and employers alike indicated advantages to be gained in offsetting these types of changes through supportive workplace policies — for example, increased flexibility, time off in lieu of paid overtime, etc.

Analysis of 1998 survey data[65] indicated that relatively few Canadian federal sector employers implemented such flexible policies.[66] At the same time, results suggested potential economic advantages which could occur were such policies to be more widely implemented.

Overall, the 1999 focus group and interview findings confirm the findings of surveys which were completed previously. Namely, this study affirms that there have been significant changes in workplaces; that new ways of doing business are common; that pressures, such as work intensification and chronic overtime are common and increasing, and that these changes create significant challenges for employers and workers alike. The findings also pointed towards potential for economic advantage for business, were these aspects of conditions of work to be improved.

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65 See: HRDC, Phase II Evaluation of Federal Labour Standards, Statistical Appendices.

66 See Annex C, Section C.1 for more details.

SOME OF THE THINGS WORKERS AND EMPLOYERS SAID ABOUT BALANCING FAMILY AND WORK

"Drivers have no social life — no guarantee that you'll be home at any given time. Keep driving. You could be gone for 2 weeks, home 1 day, then gone again for 3 weeks. Maybe you have a few days off, but you were in New York at the time. That doesn't do your family much good."
— Employee, trucking firm

"They work overtime when they need to, take time and go hunting when it's slow. They do the job. They are intelligent and hardworking — they don't need a time clock."
— Employer, grain handling sector

"Flex hours has no big impact on the workplace but a major impact on family life."
— Employee, Crown Corporation

"I see young couples with kids running themselves ragged. I don't know how they do it. They get home and put the kids to bed and then next morning it starts all over again. I see the stress on these people. All they're trying to do is live, give their kids a good life."
— Employee, communications sector

"Family-friendly policies/practices are available if they can be accommodated, but fixed hours and shift work are dictated by the nature of the [air transportation] business."
— Employer, Crown Corporation

"The family atmosphere at a company is IMPORTANT. If the company shows consideration for its employees, they will have a more cohesive team, and a more productive team."
— Employee, transportation sector

"You usually put in 12 hours of work for a 3 hour (radio) show... It's the nature of the business... We all have pressure to do over and above. There are always people behind you waiting for the opportunity."
— Employee, communications sector

"Stress also comes from demands outside of work. The fact that there are dual income earners, that your spouse may have to work at two part-time jobs, makes things stressful."
— Employee, Crown Corporation

"In a small workplace ... the best policies and practices are those which are built on mutual respect between employer and employee... a mutual understanding by employer and employees of each other's needs."
— Employer, transportation sector

"An employee can't make a deal with management that suits their lifestyle, like working 50 hours one week, and 30 the next, because it doesn't fit into the rules of the labour Code. As an employee, knowing my family life, it should be my decision. I'd rather have an afternoon off to see my kids school play and work extra the following or previous week to make up for the time off."
— Employee, communications sector

"The challenge for any company is to ensure that supervisory staff clearly understand the firm's policies in this area as well as their own role and responsibility to ensure that the policies are not compromised by pressures of work."
— Employer, transportation of goods sector

2.3 Balancing Family and Work

Balancing family and work, a major challenge for Canadian workers: One of the most difficult challenges that workers and employers face in the workplaces of today is the need to balance work and family life (as was noted in Section 1). This issue was reported in the 1998 surveys of workers, and was noted in the review of literature that was completed as part of this study. *This assessment was also strongly reaffirmed by the workers in the 1999 focus groups.* Workers described some of the pressures placed on their personal time, including those of juggling work with the demands of raising children, or with the need to care for elderly parents.

Workers reported typical difficulties such as "getting to the daycare every night before it closed", "getting home in time to prepare dinner", etc. Others needed to adjust their working schedules so that their older children could borrow the car to attend school activities, etc. Workers from non-Christian or non-European-based cultures reported sometimes finding it difficult to observe religious and cultural holidays which are important to their families. These diverse pressures, combined with the fact that many businesses operate longer hours than a 9 a.m. – 5 p.m. workday were reported by workers as creating a growing need for flexibility in the workplace.

The prominence of these needs is underlined by demographics. For example, in banking, bank managers and employees noted that 65 percent of banks' labour force are women, compared to the national average of 45 percent. Bank managers further noted that 68 percent of bank employees have families at home with 40 percent also caring for an elderly parent and/or children.

2.3.1 Family-friendly Measures: What Are Employers Doing?

Many workplaces offer a variety of family-friendly policies: *While the 1998 evaluation surveys illustrated that workers had many problems balancing work and family, the surveys also noted that many employers already had family-friendly policies or practices.* Discussion group and interview findings reiterated this, indicating that many employers *already* have a family-friendly environment. In the 1998 surveys, about 20 – 40 percent of federal sector employers were found to have a variety of family-friendly provisions in place for some or all employees.[67]

In many cases, the goal of having such policies or practices is to make the workplace a healthier and more flexible place to work. Typically workers are given more control over how, when and where their work gets done. In one large national bank, for example, managers reported that approximately 18 percent of employees work part-time; 9 percent work flextime; 2 percent work a compressed work week; 2 percent telecommute; and 2 percent job share.

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[67] Additional details may be found in Annex C, Section C.2.

Similarly, it was reported in all bank discussion groups how it is now more common for employees to work from home one day per week, to work four days in five or nine days in ten, to telecommute from another part of the province or continent, to arrive early and leave early, etc. Workers reported that these types of policies result in more satisfaction, less stress and more productivity. Other types of family-friendly policies were reported in a wide range of sectors. Focus groups and interviews indicated many different ways in which employers facilitate the harmonization of family life and work. A wide variety of specific practices were mentioned by employers:[68]

- "Each [of our] employees gets four "family care days" per year — time off to look after family matters — not cumulative. However, in special emergencies and by arrangement with the supervisor, it's possible to borrow from the next quarter." (water transportation).

- "Care days are not in the collective agreement, but "sick days" (not needing doctor's certificate) are, and they are cumulative. The agreement also features special 2-hour leave for medical appointments." (transportation sector — water transportation).

- "Unpaid leave of absence [is available] for *all* reasons, especially family emergencies. This is not written into the company policy manual, but we would rather [provide a leave] than have an employee preoccupied with his problems while on the job, raising a potential safety issue." (transportation — trucking).

- "There is great flexibility in our workplace, but flexibility works both ways. When people are at home for personal reasons, others feel comfortable calling them to ask questions." (communications).

- "The parent company has a 1-800 *confidential* counselling line for employees with family problems (stress, elder care, finances, etc.)." (grain handling).

- "Our firm offers flexible working hours (everyone qualifies for every third Friday off by working equivalent extra time in between), leave of absence, and a confidential employee assistance program for workers with personal problems." (transportation).

- "The family leave that is all the rage — we've done this for years. Managerial discretion. It's been that way all of the 22 years I've worked here. Your kids are sick? Go home." (grain handling).

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[68] For example, many employers included options such as child-care leave, parental leave, family needs and family responsibility leave; and elder care leave for their workers. Additionally, many employers provided confidential employee support programs with services such as personal counselling, financial counselling and legal advisory services to support their workers in balancing their work and personal life. Other employers provided a broader range of family-friendly policies, including compassionate leave, bereavement leave, and religious leave.

In many workplaces, it was reported that managers let the workers organize their own schedules to best meet family commitments. One more innovative arrangement which was noted at a discussion group included a job sharing arrangement where one person approaching retirement works during the summers, and the other person (with greater child care needs) works during the winters. This allows the pre-retirement employee to go to Florida each winter, and the parent to spend the summer with the children.

Yet many workplaces have few or no family-friendly policies: It should be emphasized that *not all workplaces* incorporate family-friendly policies and practices such as those noted above. Many workplaces have minimal or no family-friendly policies. In fact, this appears to be true in a majority of workplaces. In some workplaces, employers simply are not sensitive to family needs. In other workplaces, family-friendly policies such as flextime, may be more difficult to implement, for example in the transportation industry.[69]

Why are some workplaces more family-friendly? Focus group results suggested that one factor determining where family-friendly workplaces were found was *industrial sector*. Office-type workplaces were generally more easily able to provide family-friendly policies. In other sectors, the very nature of the work — particularly its relation to time — made it more difficult to allow flexible schedules. For example, radio and television companies are driven by the need to "get out the news.... as and when it happens" while airlines and railways have to run on schedule and the mail has to be delivered regardless of the unpredictable volume that appears each day.

The *size of the workplace* was also noted in focus group discussions as having certain impacts on the degree and way in which family-friendly practices could be followed. Small workplaces were reported as having to face additional challenges in that typically individuals have very specific jobs and responsibilities which cannot easily be covered or shared by another person. Such smaller workplaces have to be more creative in finding solutions to the challenge of balancing work and family life.

Generally, focus group results indicated that the *presence of a union* in the workplace had variable impacts. While in some cases the union was supportive of such policies, resulting in a broader range of family-friendly policies, or policies that were supported by all workplace parties, in other cases it was apparent that the union or its leadership was either not interested in such workplace features or was even against these types of policies and practices. For example, it was noted that in some cases, unions saw job-sharing as negative — a way to reduce the number of full-time jobs. The end result appeared to be that being unionized had no major overall impact on presence of family-friendly policies.[70]

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69 Even so, arranging work schedules/shifts to best meet the employees' needs is possible and encouraged by many of those companies.

70 Flexible workplaces policies, family-friendly policies etc. were often reported to be an area of contention between employers and unions, because employers wish to use them as incentives for good performers, whereas unions want uniform access for *all* workers.

The literature tended in part to support the above discussion group findings regarding company size. For example, research conducted by Galinsky, Hughes and David found the several characteristics to be predictors of family-friendly practices.[71] They noted for example, that larger the company, the more likely it was to have family-friendly policies and practices. They also noted greater instances of family-friendly policies in unionized workplaces — a finding not clearly reflected in our focus groups, but modestly reflected in the evaluation's 1998 surveys.

Industries such as banking, insurance, technology, health care, and other service industries were also found by Galinsky et. al., to have somewhat more family-friendly policies and practices. The age of workforce, the proportion of female employees, and whether or not a company is unionized were all predictors of the presence of family-friendly policies. The more profitable a company, the more likely the company is to be family-friendly.[72] Management style and values are also seen as key factors in the literature: "Executives most likely to be responsible for the creation of work/family programs were [female], young and entrepreneurial" and saw investment in human capital as the value added "for long-term profitability."

When focus group results from small non-union firms studied were examined separately, still only size factors stood out as obstacles to family-friendly policies. Because focus group findings regarding unions were not clear, further reference is made to the 1998 evaluation surveys for validation, immediately below.

2.3.2 Survey Evidence On Family-friendly Policies in Different Types of Workplaces

A comparison of the focus group insights to what was learned from the 1998 surveys of workers and employers is useful as validation of the above findings. As noted below, the evaluation's 1998 survey results provide a somewhat similar view to focus groups results, as regards the impact of some workplace characteristics. The surveys revealed that larger and unionized workplaces were somewhat more likely to have policies for harmonization of work and family life, but this effect was small.[73]

Overall, the survey evidence examined here indicates that key characteristics of workplaces make only modest difference in workplace success in harmonizing family and work: In the 1998 surveys, workers were asked several key questions to assess the extent to which work hindered or created problems in quality of family life.

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71 Galinsky, Ellen, Diane Hughes and Judy David. "Trends in Corporate Family Supportive Policies" in *Corporations, Businesses and Families* edited by Roma S. Hanks, Marvin B. Sussman. New York: the Haworth Press, 1990, pp.85-88.

72 The researchers noted that more research is need on causality: "We do not know the extent to which the lack of monetary constraints in the more profitable companies enables them to invest in work/family initiatives or the extent to which such initiatives lead to increased financial health", Ibid

73 Data from unpublished analyses for the 1998 evaluation surveys.

A multivariate analysis of these data revealed that few workplace characteristics were strongly correlated with quality of family life. When other factors were controlled for, only *long hours of work* was strongly correlated with poor quality of family life, with no independent effects for type of firm.[74]

While wide variations occurred from workplace to workplace, the extent of family work problems was very similar across the different sectors examined including banking, Crown corporations, trucking, other communications, unionized and non-unionized firms, large, medium and small firms and so on. These results suggest that in every sector there are firms which for one reason or another innovate and do well in meeting the family needs of their workers, while other firms in every sector do poorly in harmonizing work and family.

2.3.3 Conclusions Regarding Family-friendly Policies

Positive impacts of family-friendly policies and practices were noted in discussion groups across all industrial sectors and all regions of the country. Focus group participants generally agreed that absenteeism was less when flexible and family-friendly policies were in effect. Also, focus group participants noted that when staff are more satisfied and less stressed, they are more productive in their work, and more likely to remain with the company. Employers recognized this fact in many instances, but it should be noted that this was not always the case. *No major effects or differences were noticed in firms of different types — for example, larger or unionized firms as compared to smaller and non-union firms.*

Findings from the 1999 study confirm the results from the 1997 and 1998 evaluations and demonstrate that flexible, family-friendly working arrangements help firms develop more satisfied and more productive staff. Flexible working arrangements generally were found to have a major impact on family life, and in turn were seen by workers and employers alike to produce positive business benefits.

These impacts of family-friendly policies in supporting family life must be assessed not just in terms of impacts on individuals and families, but also in terms of the economic impacts noted in workers focus groups and interviews with employers.

Family-friendly policies were widely seen as reducing stress, improving worker satisfaction, retention, and productivity, and thus impacting on the bottom line overall. In light of broader estimates that work-family conflicts cost the Canadian economy billions each year (Duxbury, et al., 1992b), these results point strongly to family-friendly policies as a potential benefit for Canadian society as a whole.

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74 Also, being engaged in *shift-work* was correlated with work-family imbalances. (See HRDC, 1998.) New analyses of the 1998 survey data, testing industry sector and unionization/size in separate regressions showed the same results.

SOME OF THE THINGS WORKERS AND EMPLOYERS SAID ABOUT LEARNING AND WORK

"I'm taking courses to take charge of my own career."
— Employee, air transportation sector

"I can't afford to take time off to take courses."
— Employee, trucking firm

"Employees require more diverse skills today than in the past. Learning is an on-going process and people must receive training to keep up with changes whether paid for by themselves or by their employer. In this respect, tax credits would encourage companies to pick up the bill or ease the burden on employees who pay their own way."
— Employer, communications sector

"Lifelong learning has not necessarily alleviated job insecurity feelings. Its philosophy is to give employees an alternative solution to the problem: if they can't get job security, they will at least have opportunity to improve their skills while on the job."
— Employer, financial industry

"Lifelong learning is very important to employers. Competition has led to mergers, acquisitions, consolidation, diversification, development/application of new technology, new terminal structures, which in turn have led to shortage of skills and need for more professionals. Employers need/expect to train people and support training programs. "It's a question of self-survival"."
— Employer, grain handling sector

"Lifelong learning creates a better staff - a more satisfied staff."
— Employee, Crown Corporation

"In the near future, there will be significant technology changes in the management systems, and a significant amount of training is expected."
— Employee, transportation sector

"If government really believed in support/promotion of lifelong learning it would either accredit and share/pay the cost of courses, or provide financial incentives to employers or employees generally, to defray costs and encourage learning."
— Employer, financial sector

[The company sees lifelong learning] "as encouraging employee loyalty by demonstrating the company's commitment, and [we believe] this leads to higher productivity and efficiency."
— Employer, communications sector

"Nowadays there is a new set of expectations in the workplace. Employees are taking more responsibility for their career needs, but they expect the company to provide a learning/promotional structure. [This company does it] because it wants to keep people for the long-term."
— Employer, goods transportation company

2.4 Lifelong Learning and Work

The 1998 evaluation surveys indicated that while learning is often made more difficult by workplace characteristics such as long hours, many workplaces provide important and effective supports, not only for job-related training, but also for learning off the job. This view was further emphasized by what was said in the 1999 focus groups.

2.4.1 Issues in Lifelong Learning

The Prominence of Concerns with Learning: Employers and workers were equally and greatly concerned about the need for lifelong learning. In some workplaces, lifelong learning was supported, but within a narrow connotation — as learning which is directly related to a person's job or career. In other workplaces, however, any type of learning, including learning on topics which are unrelated to the job, was considered to be an important part of lifelong learning and equally as important as job-specific learning.

Indeed, many employers interviewed had quite sophisticated policies in place to support and encourage workers' aspirations. These included such things as tuition reimbursement, scholarship programs, and education/information services. Many workplaces completely funded tuition for courses which are job related, and most of these companies also partially or fully funded courses which are *not* directly job related. Larger companies tended to offer leaves of absence for educational reasons, and paid study days as well.[75]

Some employers also reported they have lifelong learning goals for their employees which may include: employability skills;[76] academic skills; personal management skills and teamwork skills with a view to thinking critically; solving problems; making decisions; communicating effectively; developing positive attitudes and behaviours; setting and achieving goals; planning and managing time, money and resources; respecting others and working in a diversified group; and identifying and suggesting new ideas.

Informal company policies were also reported to help lifelong learning in a variety of ways. At several workplaces visited, cross-training was strongly encouraged, and workers were often teaching other employees how to do a new job that may or may not be related to the current job of the employee being trained. Employers and workers both stressed that this not only helped to provide more job security for the workers, but that it also helped out in emergency situations when a person who normally does a vital job is not at work.

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75 For some employers, support of lifelong learning was also symbolized by programs for employee's children. These employers provide practical resources and consultation services for workers to support learning for their children through such services as (for example): school readiness; enhancing parental involvement; helping with homework; motivation and encouragement; developing good study habits; mastering transitions; and fostering an interest in lifelong learning.

76 Employability skills included generic skills, attitudes and behaviours that employers look for in new recruits and which are developed through ongoing programs, both through formal learning and through a variety of life experiences.

Workers at a few of the larger companies also reported that they had "training centres" or other types of company sponsored courses for workers aimed to help them find courses, learn about other jobs in the company, etc. *Unions* also provided training in certain areas, which often featured in collective agreements, but the discussion group findings did not provide a sense that local unions played a particularly strong role in promoting lifelong learning. Overall, workers and employers alike reported that support for learning had important economic benefits for firms.

Obstacles to Lifelong Learning: As in the 1998 surveys, focus groups identified a number of obstacles for workers to participate in lifelong learning activities. Of these, the greatest obstacles were seen as *time and money*. Lack of time is a significant challenge for many workers, particularly if they have families, are expected to work overtime frequently, and have long commutes — a factor noted in the evaluation's 1998 worker surveys. As regards "money", one employee at a focus group conducted in the Prairies, noted how taking courses was difficult "because I can't afford (financially) to take the time off work that is necessary to upgrade skills". Finances were also a key obstacle for workers who reported that they are expected to use personal money and time to obtain new skills — and often, even the skills needed to keep their current jobs. Workers and employers alike indicated in the focus groups that *tax incentives*, particularly for employers, would be an important way in which government could encourage employers to support lifelong learning.

Workplaces were highly variable in aid for lifelong learning: Programs to remedy these problems are not provided at all workplaces and where they are provided, they are not always available to all workers. For example, smaller companies often face particular obstacles in implementing lifelong learning policies, because they cannot afford to send workers on courses, and may face more serious staff shortages if a key worker takes time off to study. Larger employers often have training and skills upgrading policies, but individual managers or supervisors may not implement the policies consistently. For example, employees at several workplaces which were visited described how, at times, training sessions had to be forfeited in order to deal with departmental emergencies. Other obstacles are encountered by workers in rural areas where evening and weekend courses are not always readily available.

Discussion: The emphasis on constant learning in today's workplaces has increased pressures on workers as was noted earlier. As one employee summarized: "Education can be seen as an opportunity to learn, but also be seen as a necessity... to achieve a personal goal, but also to secure your position for the future. Education takes up personal time, and it is necessary to keep current in your job. In that way, work is pervasive into your personal time." Regardless of the difficulties discussed in implementing lifelong learning, the importance of enhancing workers skills is, according to employers, crucial to both the nation's economic prosperity and their own company's' success. In order to remain competitive in the international market, employers noted that Canadian workers must remain as productive as possible and remain abreast of technological innovations. Most workers recognize the validity of this employer view.

Findings on lifelong learning can be summarized as follows: employers and workers may have different definitions of lifelong learning (e.g., acquisition of job skills versus acquisition of broader skills). This reflects the fact that, according to many employers, broader learning is more important than specifics-related learning. Such an emphasis on lifelong learning, they argue, makes for a more productive workplace and broadens the horizons of the individual.

The demands of time and cost remain important obstacles to learning, obstacles that can be at least partly remedied by flexible workplace policies. *Employers and workers were generally in agreement on the importance of lifelong learning and measures to aid it, such as flexible work schedules (and matching flexibility in the Code), educational leave and so on.*

2.4.2 Lifelong Learning in Different Types of Workplaces

The focus groups suggested some variations across industrial sectors, size of workplace, and by region, including urban/rural variations, regarding how easily and readily available training is. But only *size* of workplace appeared, in the focus groups, to be a consistent facilitator of training and learning, with larger companies more likely to provide tuition, time-off for courses, etc.

No other major effects or differences were noticed in firms of different types — for example larger or unionized firms as compared to smaller and non-union firms. When small non-union firms studied were examined as a group, only size stood out as an obstacle to learning-friendly policies.

However, a comparison of these focus group insights to what was learned from the 1998 surveys of workers and employers showed slightly different results, echoing the findings noted earlier regarding balancing family and work. *Evidence from the 1998 surveys indicated that key characteristics of workplaces made very* ***modest differences*** *in workplace success in harmonizing work and learning. According to the surveys, larger workplaces and unionized workplaces were slightly more likely to have learning-friendly policies.* However, these differences in policies were very slight, and not enough to make any substantial difference in workers' actual learning opportunities. Further, no statistically significant effects were found for worker difficulties by size, type of industry, unionization, etc.[77]

As was found for work and family, only *long hours* was an independent predictor of worker difficulties of harmonizing work and learning. This remains the key factor in our assessment, simply because workers who work long hours had the greatest difficulty in finding sufficient time for courses, independent learning, etc.

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77 Data from unpublished analyses for the 1998 evaluation surveys.

2.4.3 Conclusions Regarding Lifelong Learning

The focus group and other findings indicated that lifelong learning was an important priority for workers and employers alike, across all industrial sectors. As well, the findings suggest that in every sector and every type of workplace there are firms which do well in meeting learning needs of their workers, and other firms which do not. Where policies and practices supportive of learning were in place, workers and employers alike reported that positive economic benefits resulted.

These findings suggest that the factors facilitating lifelong learning have more to do with *management values* and *corporate culture* than with type of firm. These are factors that may often be found in the personal life situation of managers — for example, as reflected in the findings noted earlier in the literature, that female managers and younger male managers are more able to see the profit-driving value of family-friendly policies and human capital investment. Some of these aspects of corporate culture and issues of *how workplaces change* will be examined further below.

SOME OF THE THINGS WORKERS AND EMPLOYERS SAID ABOUT JOB SECURITY AND RETIREMENT

"Some people never plan ahead. They never know they should. The employer or someone needs to start educating about retirement and saving."
— Employee, trucking firm

"If older people would do the training of new employees....They could job share: the one that is preparing to retire, and the one that is preparing to enter the industry."
— Employee, communications sector

"They called in three middle management people in one afternoon and fired them. I thought, if there is one thing I'd like to see is trying to look ahead. Say, we're going to have to do some downsizing in five years so that people have time to adjust."
— Employee, communications sector

"Society is faster paced. Take someone who is 50. It's easier to retire them than it is to upgrade their skills. Easier to hire someone new because they'll have the upgraded skills, and even if they don't, once you train them, they'll probably be with you for a longer time."
— Employee, trucking firm

"I think you are ignorant if you think you will have the same job forever."
— Employee, communications sector

"As a lot of the workforce ages, there should be more support for retirement. Don't know where you start, but it's supposed to be a happy time to be looked forward to but many don't see it that way because of finances. If they have proper supports, it could ease them into retirement."
— Employee, transportation sector

"Companies will have to come to terms with the fact that people are living longer and wanting to work longer — not always because of economic necessity."
— Employer, communications sector

"People who have retired have been brought back on contract to help with projects."
— Employee, transportation sector

"Elder care will become as big an issue as child day-care — and it will have an impact on pre-retirees as more and more employees will want to take retirement before age 60."
— Employer, communications sector

"The main issue with an ageing work force is development of new technology and the struggle to keep our technicians up to speed."
— Employer, communications sector

2.5 Job Security, Pre-Retirement and Other Needs for Flexibility

2.5.1 Job Security and Benefits

Focus Group and Interview Findings on Security and Benefits: The focus groups suggested that the fact that lifelong employer-employee relations are seen as a thing of the past creates an increased level of insecurity for many workers. Many workers noted, for example, that major benefits such as pensions, sick pay, etc. tend to be a primary concern for workers as they age. Part-time workers or contract workers may have reduced benefits or no benefits at all. Such workers who do have pension benefits may be concerned about the portability of such benefits if or when they change jobs. The discussion group findings noted that a number of related issues were of significance in various ways for both employers and workers. These included:

- That lifelong relationships between employers and workers are no longer certain (as noted earlier), that workers don't necessarily want to stay with the same company throughout their careers, and that employers need diverse and changing talents;

- That many workers want to learn and move on. Many workers are on contract, and therefore are asking for different benefits or rewards than in the past. For example, many may prefer to earn a higher salary now as opposed to a pension in the future; and

- That some employers are beginning to provide benefits to contract workers.

Generally, employees in the discussion groups noted that in many workplaces contract workers and part-time workers are not eligible for benefits. However, some employers reported relevant policies and practices, for example: "Our company policy includes the pro-rating of the employee benefit package for part-timers." Given that these work arrangements are often chosen by those wishing to achieve a better balance between work and family, or by those approaching retirement, and that they are becoming more common forms of employment, it was suggested that companies could more typically re-align their policies to match the needs of these employees.

Evidence Regarding Different Types of Workplaces: The focus group and interview results did not show a clear pattern for differences across various types of workplaces. Therefore, we once again examined the 1998 survey data. The survey data did illustrate some ways in which key characteristics of workplaces make a difference in workers' feelings of security: Workers in the *banking* sector were slightly more likely to feel secure than workers in other sectors, as were workers in *unionized workplaces* and workers in *larger workplaces*. These findings suggest that feelings of security stem largely from the size of the firm and economic strength of the firm. Workers' feelings of security/insecurity could not otherwise be predicted from workplace characteristics.[78]

[78] Data from 1998 evaluation, unpublished analyses.

2.5.2 Pre-Retirement and Other Needs for Flexibility

The focus group and interview findings indicated that those close to retirement face a number of issues, most of which are *financial* in nature or relate to choosing *when to retire*,[79] and only some of which relate to the issues of flexibility.

Issues of financial ability and the retirement decision are the *first* concerns of workers in the pre-retirement years,[80] but those who have fully or partially resolved these issues for themselves also have a variety of needs relating to flexibility, and reported that they benefit from flexible and supportive workplace policies where they are in operation. The extent of use of these types of practices, for example to allow learning or testing of retirement, could not be ascertained from the focus groups, but where they were offered, workers and employers both reported benefits.

Most workers agreed that flexible workplace policies to allow *semi-retirement* at the age of 65 or earlier was a positive thing for both the workers and the employers. At one transportation company, for example, retired workers return during the busy months to help out. Retired workers report that they like it because it allows them to have the best of both worlds, and the employer finds the arrangement beneficial because it is not necessary to train short-term workers for the busy season. Gradual retirement also was reported to work well at another company where a specific employee did not have any interests outside of work. Phasing in retirement over a 3-year period allowed the employee to develop interests before becoming fully retired.

Other participants in the discussion groups noted that some employees needed courses to help them prepare for retirement, whether they be financial courses or "emotional" courses, so that educational efforts of this sort were beneficial. Some participants also noted that those in their pre-retirement years could make valuable contributions by passing on their wisdom and experience, particularly by fulfilling a mentoring role within the workplace.

Generally, these pre-retirement issues were seen to be very similar for workers in all sectors, in all regions, and in small, medium and large workplaces, regardless of whether the workplace was unionized or not. This finding suggests that initiatives to promote easing into retirement, mentoring roles for pre-retirees, and other pre-retirement activities are — like other innovative policies (such as family-friendly policies) — dependent to a great extent on corporate values and management style.

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79 Employees reported in the discussion groups that some people are not ready to retire at all by the age of 65, and that others would like to partially retire rather than fully retire at that age or before. Younger employees in approximately half of the discussion groups emphasized that they wanted more control over their retirement plans, and less stringent rules regarding RRSPs.

80 See: *Evaluation of Public and Private Incentives for Retirement*, 1999, HRDC.

2.6 How Workplaces Change to Meet Family and Learning Needs

The focus groups and interviews reaffirmed the fact that change to accommodate work and family and learning needs is a complex process, and one greatly dependent on the corporate culture of the workplace.

While the 1998 surveys provided good data on problems in balancing work and family life and learning, little was revealed about the process of *how* workplaces change to meet these needs. Thus, the focus groups and employer interviews were an important source of new insights on this issue.[81]

The discussion groups proved to be very informative on many related dimensions, not least of which was in providing an in-depth understanding of the many initiatives and activities which are currently taking place in Canadian workplaces. These "best practices" (as described above in Sections 2.3 and 2.4) provide a good view of how workplaces can become more family-friendly and learning-friendly.

However, workplace change is not simple. Many difficulties and challenges were noted in focus group discussions and interviews as to how workplaces deal with change, and day-to-day issues in flexibility.

Indeed, workers and employers listed a variety of obstacles that were faced by companies in implementing family-friendly and lifelong learning policies. Key facilitating or hindering factors as identified through the focus groups were seen as including:

- **Corporate Culture:** Discussions with workers and employers made it clear that family-friendly workplace policies and lifelong learning are heavily dependent on corporate culture. For example, in some organizations which participated in the study, employers had developed a wide range of policies which were not being used by the workers due to the *attitudes* of co-workers and supervisors.

  Clearly, attitudes can present a serious obstacle to workplace change. Some employers and workers are not open to change — "If arrangements work now, why bother to change them?"[82]

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81 Additionally, the literature provides a number of points consistent with the "corporate culture" emphasis, such as the importance of senior manager content to family-friendly and learning-friendly policies. See: MacBride-King, Judith L., December 1990. *Family Responsive Benefits: The Corporate Decision-Making Process. A Summary of the Conference Board of Canada's Information Sessions of Work and Family*, Conference Board of Canada, Ottawa.

82 A study by Flack and Reskin of Harvard University emphasized the importance of management attitudes, incentives and evaluations to flexible work policies. They note that: "As long as the organization holds managers responsible for short-term productivity and does not take into account the long-run benefits to the firm and to the employees of flexible schedules, managers lack incentives to implement the policy". See: Flack, Meg and Barbara Reskin, "Determinants of Employee Access to and Use of Nonstandard Work Schedules and Arrangements — A Case Study", Cited in *The National Report on Work and the Family*, February 23, 1998, pp. 27-28.

Conversely, some employers had little in the way of formal policies on families and learning, but excelled in informal ways of helping workers meet their family, cultural and learning needs.[83]

- **Lack of Buy-in from Supervisory Staff:** Employers and workers both agreed that family-friendly and lifelong learning policies are only effective if *managers and supervisors* are willing to implement such policies — again a reflection of corporate culture.

  Workers noted that family-friendly and learning-friendly practices only worked if supervisors and managers are accommodating. One employer noted that "The challenge for any company is to ensure that supervisory staff clearly understand the firm's policies in this area as well as their own role and responsibility to ensure that the policies are not compromised by pressures of work."

  Ensuring that supervisors understand the importance of such policies is a challenge, particularly in large organizations. For example, some employers such as banks, have human resource policies which far exceed the requirements of the *Code*, but find obtaining consistent *implementation* of the policies by their managerial and supervisory staff to be more of a challenge. This becomes especially important when family-friendly or learning-friendly *practices* becomes a "perk", dependent on the supervisor's evaluation of the value of the worker or his/her worthiness for special treatment.

- **Specific Changes in Work Practices:** Workers in the focus groups emphasized that even small changes to the way the workplace is managed help immensely in meeting family and other personal needs. Again, reflecting on corporate culture, typical employee comments included: "people should understand that getting the job done is more important than the face-time at work," "why reward the person doing the 60 hour week, if a staff member can get her job done in 40 hours?"; and "employers should recognize the obligation of most staff to leave by 4:30 to 5:00 p.m. in order to take care of children". It was also noted by focus group participants that "simple actions such as calling meetings in the morning or early afternoon rather than late in the day (when there is a risk of them going over time) would help".

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83 According to the literature, there are a number of views that could need changing in a corporate culture before family-friendly policies are successfully implemented. They include the following: personal problems should be kept at home; give employees an inch, and they will take a mile — "The idea that by giving employees more flexibility they can be more productive is counter-intuitive to most managers"; equity means the same for everyone — "...many managers believe that what you do for one you must do for everyone — they are not used to dealing with diverse needs. They may also be afraid that if they do not provide exactly the same response to all employees, a lawsuit may result"; presence equals performance (e.g., if you are not working in sight of the managers, you must not be working); the more hours you work, the more output you are producing (e.g., the most productive employees work lots of hours); the provision of benefits cannot make people more productive (this is part of Herzberg's 1968 theory of motivation); and benefits are for long-term income security and protection, not for day-to-day hassles that must be addressed. See: Friedman, Dana E. and Ellen Galinsky. "Work and Family Issues: A Legitimate Business Concern" in *Work, Families, and Organizations* edited by Sheldon Zedeck. San Francisco: Jossey-Bass Publishers, 1992, pp. 202-203.

- **Scheduling and Operations:** While most employers and workers who participated in the focus groups agreed that non-traditional working arrangements work well in office settings, they also agreed that many of these practices were more difficult to implement in "operations". For example, they noted that flight attendants, customer service representatives, postal carriers, truckers, shippers, etc. cannot fully set their own hours. As one employee summarized: "it's a nice picture but is not at all practical in some areas of our operation. It's not the type of environment where you have your own personal work and you can put it aside to finish it later. The workload requires your presence."

  This is not to say that there is extraordinary lack of flexibility or family-friendly policies in more operational workplaces. In many such workplaces, employers provide other types of flexibility by: allowing people to trade shifts; by giving advance notice on when they will be working away from home (flight attendants at some companies, for example, often learn of their work schedules one month in advance); and by arranging shifts to best meet personal needs.[84] *However, meeting the family and learning needs of workers in these more operational jobs is clearly more of a challenge, calling for continuing innovations in best practices.*

- **Size of Company is a Factor:** It was pointed out numerous times in the discussion groups that it is generally more difficult for small companies to provide generous benefits because of costs. Also, most small companies find it more difficult than larger operations to allow for a wide range of flexible working arrangements because each employee is more likely to perform a key or unique function in the workplace. Staff are needed to deal with issues as they arise during regular business hours, and there are often no extra people to cover for those who might want to work a compressed or flexible work week.

  Thus, in very small workplaces it was noted that workers themselves often do not feel that they can take advantage of or may be denied participation in certain types of flexible work arrangements or family-friendly policies when the job that they perform is specialized, which means that no one else can cover for them. On the other hand, when we considered focus group results from smaller companies as a group, it appeared that the ability of smaller companies to make *informal arrangements* was often a factor in their being responsive to family, learning and other needs for flexibility.

- **Many Companies and Unions are Unaware of Needs of Workers:** Employees in many workplaces, including unionized workplaces, complained that both management and (where unionized) the union locals were not listening to their needs.

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[84] For example, at one communications company, shifts are set so that workers don't have to drive during the rush hour.

Some of their comments included: "the union is not connecting with their people"; "companies should hold regular discussion groups; "What workers think is generally different from what managers and unions think. Management and unions should take walking tours and talk to people ... doing the work to make... policies;" "There should be a more consultative approach to... More "hands-on"; and "[the] grass roots should be consulted more about change. They can give positive input".

This lack of awareness reported in the focus groups was found to have two main causes:

(1) relative lack of interest in these matters by many employers and union locals; and
(2) workers reluctance to raise family and related problems, for various reasons including fear that this could disadvantage them as regards advancement or job security.[85]

- **Union Locals are not Seen to be Proactive in These Areas:** While national unions and the CLC were seen to be supportive of family-friendly and learning initiatives, this study suggests, however, that this is not always matched by union locals in individual workplaces. Focus groups with workers suggested that family-friendly policies, lifelong learning and related flexibility issues are simply "not on the table" for many union locals when they negotiate. This was generally reaffirmed by existing research,[86] and also by employers' comments. Indeed, employers in many workplaces felt that their union was impeding them from implementing family related and other policies which their workers wanted.

  For example, one employer commented: "... unions — I find them to be rather conservative. Changes that bother them the most are those that permit individual employer/employee interaction and solution. Some unions reject flexible hours and variable hours. They prefer the status quo. They do not want to set a precedent that gives opportunity to one and not to another."[87]

  At another workplace, workers described how there are very few irregular working conditions, given the union's strong opposition to the raising of possibilities such as compressed work week, at-home work, part-time work and other possible changes to working conditions that speak to family responsibilities or more flexible working arrangements.

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85 Bond, 1998, for example, notes that in many cases the employer does not even know the worker has a family.

86 This suggestion of low union priority for family and learning issues is supported by a variety of recent research. See, for example: Kumar, Pradeep et al., Fall, 1998. "Adapting to Change: Union Priorities in the 1990s", in *Workplace: An Industrial Relations Quarterly*, Table 10, p. 95.

87 Similarly, other employers noted: it's "group think", not individual solutions;" and "unfortunately we had a very difficult time with job sharing. The union members wanted it but the union itself didn't because they saw it as a way of diminishing full time jobs to part time and I think this will come to the table the next time. In our situation (different department — non-unionized) if the bulk of the membership wanted that then I wouldn't be very long in doing it."

- **Challenges for At-Home Workers:** Some employers are hesitant to have employees work from home regularly even where the type of work allows this, because it is more difficult to transfer knowledge and experience between workers and it is difficult to have brainstorming sessions when some staff do not work at the office. This lack of interaction with other workers can also present challenges for workers as well as for employers. The at-home worker is not able to benefit from the interaction with others, is not easily able to work as part of a team, and may suffer from feelings of isolation.

These related findings from the focus groups and interviews are[88] supported by findings from the literature. However, the literature also suggested that workers do not often take advantage of the opportunities available to them because they are not aware of the company policies. Another factor mentioned in the literature which was not brought up in the discussion groups was the fact that in some companies family-friendly and lifelong learning benefits are offered to managers, technical and office staff, or to favoured staff as rewards, but generally not to those working in operations, or lower level staff.[89]

These focus group and interview results suggest that workplace culture and practices and management style are the most important predictors of the prevalence of family-friendly and lifelong learning practices. These findings underline the importance of developing governmental and corporate programs or initiatives which impact upon corporate culture and human resources practices, if the ways in which Canadian workplaces provide family-friendly and learning-friendly environments is to be improved.

Discussion: *The results above suggest that Canadian workers and employers wish to see their workplaces change to better meet workers' needs for flexible, family-friendly, learning-friendly and related policies.*

Related research examined here underlines the findings from focus groups and interviews — indicating that meeting these needs of workers should not only improve the quality of workers' lives, but also could result in potential economic benefits for business as well as society more generally.

Below, employer and worker suggestions for encouraging workplace policies and practices, which promote lifelong learning, family-friendly practices and flexibility, will be discussed.

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88 Re-integration of those returning from being on leave was also noted as a problem. Due to the fast pace of technological change, it is often difficult to re-integrate people who have left the workplace for an extended leave. This observation serves to emphasize the need for lifelong learning for all Canadians, but also greater need for flexibility in learning and returning to the workplace.

89 Hammonds, Keith H. "Balancing Work and Family: Big Returns for Companies Willing to Give Family Strategies a Chance" in *Business Week*, September 16, 1996, p.77.

90 Further to the largely international background research on this topic presented in Section 1.4.4, the reader is also referred to Annex C for a related illustration of opportunities for these policies and potential economic benefits. This exploratory analysis is drawn from the evaluation's 1998 surveys of Canadian employers and workers.

3. *Employer and Worker Suggestions*

Overview: Through its field studies across Canada, this 1999 study concerning the *Code* confirmed many of the findings from the 1997 and 1998 evaluation research. These findings included the fact that many Canadian workers face major challenges in the workplace of today. Particularly notable are challenges related to chronic overtime and the increasing prevalence of non-standard work. The research also confirmed the fact that many workers face challenges in balancing work, family life, and the pursuit of lifelong learning. The research also indicated that potentially important benefits may result from helping workers to meet these challenges. Results from the field studies were highly consistent with findings noted in the literature and results of the 1998 evaluation surveys of workers and employers.

This and other research has suggested that improving the degree to which work is harmonized with family life and learning may produce important economic and social benefits for Canadians. But the research also indicated that achieving improved harmony between these different facets of life is challenging. The difficulty of meeting such challenges is compounded by the fact that workplace change requires significant modification of workplace culture and thus changes involving a wide range of participants.

Given this reality, it is evident that all stakeholders in the economy — employers, workers, unions, industry associations and governments — have a role to play in addressing the need to harmonize work, family and learning needs. Study findings suggest that stakeholders, working in partnership, can bring about the necessary workplace changes to support the goal of balanced lifestyles for Canadian workers, and to achieve related economic benefits. The research also indicates that HRDC can play an important role in helping to develop these partnerships and facilitating the types of changes which workers and employers indicate they would like to see.

Specific Suggestions made by Workers and Employers: When asked in the discussion groups and interviews what should be done to encourage workplace policies and practices that promote lifelong learning, family-friendly practices and flexibility, workers and employers had a variety of suggestions. While numerous suggestions were centred on the governmental role, many suggestions also encompassed workplace changes which employers and workers and other stakeholders could help implement. Because the governmental role was seen as key, a number of the suggestions made by workers and employers were related to the broader workings and style of Part III and government generally.

Some specific suggestions for changes from workers and employers were as follows:

- **Make Part III More Flexible:** Many employers pointed out that rapid change in today's world means that it is difficult for legislation to keep up. Further, they pointed out that Part III should be able to accommodate a variety of different working

arrangements that suit both industry-specific needs and needs of workers and employers. They particularly emphasized the view that "one size fits all" legislation does not work, and thus Part III must be flexible to meet the needs of the diverse industries covered by the *Code*.

In this vein, some types of labour standards that employers would like to see included more flexible treatment of overtime (for example, employers indicated that it would be desirable to allow employees to work 50 hours in one week and 30 hours in the next week (with no administrative hurdles from Part III, e.g., no maximum on overtime except as related to health and safety concerns[91]) if it suits their schedule and the employee agrees). Similarly, employers felt that it would be desirable to allow time off in lieu of paid overtime to avoid lay-offs in slow periods. In many focus groups, workers echoed employer views on these matters, some arguing that "if we want to work a lot of overtime, it shouldn't be the government's role to step in and say we can't". Both workers and managers also supported the specific option of workers being able to take time off instead of being paid for overtime.

- **Encourage Management/Worker Cooperation:** Echoing broader concerns with flexibility noted above, both employers and worker focus group participants indicated a need for independence for workers and employers to work out their own agreements on specific working conditions. As one stated: "companies (employers and workers together) create good working environments, not government." Governments' role, many argued, should be focused on basic protections for workers, and best practices only. In particular, both employers and workers emphasized that such flexibility was needed to deal with unique industry requirements, for example as regards hours of work.

- **Collect and Disseminate Best Practices:** Large employers with family-friendly and lifelong learning policies emphasized that learning about other industries' best practices would help them improve their own programs. Employers in smaller companies suggested that the collection and dissemination of best practices would be of particular help to companies who cannot afford their own research. This view was echoed by workers as well.[92]

- **LAOs Should Act as Consultants:** Also consistent with this best-practices orientation, many employers suggested that it would be helpful if LAOs were to play a more *consultative role* — acting as persons who employers could call to ask questions regarding practices to aid lifelong learning, pre-retirement, and work-life initiatives.

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91 Note: While employers repeatedly indicated a desire to allow their workers time off at straight time rates, in lieu of overtime at time and a half, it appears that this may be in contravention of the *Code* now, which, if time off were allowable, would require time off at a one and a half time rate (since overtime would be paid time and a half).

92 These efforts, it was noted, could be focused on particularly effective steps to aid workers. For example, employees suggested that changing certain workplace practices, such as avoiding early morning or late afternoon meetings, would greatly assist them in balancing home and work life.

- **Make Specific Changes to Legislation:** A number of specific changes to Part III were suggested by workers (primarily) and unions who were consulted. Some employers also supported certain types of workplace changes which would imply legislative changes (in spite of the broader employer emphasis on reduced regulation which was noted earlier). Some suggestions for changes which were put forth included:

  — allowing for time off in lieu of paid overtime (desired by many workers and also by a number of employers, as a means to enhance workplace flexibility);

  — providing workers with the right to refuse overtime (a change advocated by a minority of workers, generally only as a second choice to the time off in lieu of paid overtime option);

  — ensuring job security for those people who have to take time-off to look after family members (family leave), (suggested by many workers and also by a number of employers);

  — providing opportunities for educational leaves (suggested by many workers and also by a number of employers);

  — adding certain provisions to the *Code*, for example, provisions regarding "break" times (advocated by unions);

  — providing for three weeks of holidays each year (suggested by some workers); and

  — increasing the leave provided for adoption (international adoptions take much longer than what is allowed for in the *Code*) (suggested by some workers who had experiences in this area).

  While flexibility was emphasized, many workers, and particularly union representatives noted the importance of government ensuring basic protections for workers.

- **Harmonize Provincial and Federal Regulations:** Employers who were aware of federal-provincial differences regarding both Part III and other governmental regulations suggested that making government programs more uniform would allow employers to better organize the portability of insurance and benefits between jobs. As one employer noted, this is difficult to achieve currently, given the "plethora of regulation" currently found in Canada. "The first place to start would be to make government programs more uniform."

- **Train Managers to Understand Family and Other Needs:** Workers in larger firms discussed the importance of changes to ensure that company policies on life long learning and work-life issues are implemented in a predictable way by managers. Some employers acknowledged that continuous training of supervisors and managers was

needed to ensure buy-in to corporate policies, so that policies are implemented by managers and supervisors in a consistent manner (to maintain a clear corporate orientation).

- **Inform Workers so They Understand Their Rights:** Many workers noted that both employers and government have to do more to help employees understand their rights under Part III, and that this information should be provided in the workplace. Not only would workers benefit from being fully informed, it was suggested, but employers would be expected to observe the *Code* more fully if they knew workers were well informed of their rights.

- **Consult More With Workers:** Workers stressed that government, unions, and employers should consult more with workers regarding their needs for flexibility, family supports and learning opportunities.

- **Conduct Media/Public Relations Campaigns:** Corporate cultures in many organizations (as affected by both management and union locals) were viewed by worker participants in the study as not conducive to use of family-friendly policies and flexible working arrangements by those who needed them.[93] An initiative similar to "Participaction" (which encourages Canadians to add physical activity into their lives) was suggested by one worker focus group participant to help change attitudes so that corporate culture can be improved. This, in turn, it was argued, would help businesses to better respond to family and learning needs. Some employers also expressed suggestions that the media be used to encourage family-friendly practices. These suggestions point to the potential importance of broader communications to support efforts to improve work-family balance in Canadian workplaces.

- **Provide Counselling:** Many workers suggested that personal counselling should be made more available to workers for personal and family issues, as well as counselling for those who are re-entering the workforce after an extended absence.

- **Encourage Skills Upgrading:** Workers strongly indicated that governments should play a greater role in facilitating skills upgrading in the workplace, in particular for those who are attempting to re-enter the workforce so that they may be updated in the latest technologies. More on-the-job skills training and upgrading was also seen as essential. These concerns were also echoed by many employers.

- **Provide Incentives for Employers:** To aid family-friendly policies as well as lifelong learning, many employers and workers argued that tax benefits[94] should be available for those implementing these types of policies. For example, both workers and employers

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93 Often workers reported that they were hesitant to express their needs, for fear that this would be to their overall disadvantage in the firm (impact on advancement, etc.), and that there was a need for workplaces to make employees comfortable in bringing forward family issues.

94 Tax credits for businesses paying for child care was reported to be on the U.S. legislative agenda in 1997 (reports in *National Report on Work and Family*), December 16, 1997, p. 249.

argued that because the economy and society generally benefit, all expenditures for training and education should be fully *tax deductible*. (This was noted as a particular need for employers.)

- **Provide Benefits Programs for Workers in Small Businesses:** As workers with the least amount of benefits (relating to paid time off to study, paid maternity leave, etc.) tend to work for smaller companies, it was suggested by some workers that governments should facilitate the development of benefits programs for the workers in small businesses. It was suggested as well, that this issue could be explored through key associations such as the Canadian Federation of Independent Business.

- **Reward Good Employers:** Study participants — both workers and employers — suggested that government, industry associations, and other organizations (including unions) should recognize the good practices of exceptional employers so that the implementation of family-friendly and lifelong learning policies would be more attractive to employers. Steps were suggested, such as sponsoring ads in local and national newspapers or holding "awards" events which feature companies who are innovators, etc.

Overall, suggestions from focus groups and interviews indicate that many Canadian workers and employers share goals related to family life and learning, that a common view also exists as regards the need for flexibility in the implementation of labour standards, and that potential for change is considerable.

The results indicated that some of these needs could be addressed by changes in Part III. But others would likely be more effectively approached through partnerships between government, employers, workers and organized labour. Many unions and major employers recognize the value of these types of human resources strategies, and results also suggested that the leadership potential and examples of these organizations could be harnessed by HRDC.

4. Conclusions

An overriding finding, which emerged from this study, was that employers and workers expressed a general desire for more flexibility in federally regulated workplaces to address workplace change. Canada's ability to thrive depends very much on the capacity of businesses to compete with their counterparts in other developed countries in highly competitive global markets.

To this end, employers want the flexibility to be able to respond rapidly in their workplaces to changing market conditions. Workers want to be able to take advantage of flexible working arrangements which allow them to create a more balanced work and family life, and which provide for better opportunities to achieve lifelong learning goals.

As was noted by many study participants, the flexibility philosophy in workplaces is about being open to different thinking and fresh approaches, not blindly following rules. This involves taking on new challenges and *not* doing things the way that they have always been done. It also means finding creative flexible approaches to allow continuous improvement of work. It is this type of flexible approach that may be developed with a view to achieving a healthy balance between work and family life.

This study suggests that employers and their workers and unions all have key roles to play in achieving such goals. Many employers have implemented more flexible and family-friendly workplace policies and practices over the past decade, and many workers are taking advantage of such policies and practices. However, not all workplace environments are equally supportive of new ways of operating. Attitudes of some employers, unions and workers who are not open to change present some of the major obstacles. Also, employees of smaller workplaces frequently are unable to take advantage of flexible working arrangements when there are not enough people to divide the work in a way that allows for flexibility. As well, certain jobs, by their very nature, cannot allow for flexible working hours, and require more innovative approaches to aid the balance between work and family life.

Study participants suggested that some of these needs could be addressed within Part III, but that equal or stronger emphasis for HRDC should be placed on information, education, partnerships, etc. Study participants were generally in agreement that rules and regulations regarding federal labour standards were not necessarily the most effective way or only way of promoting family-friendly workplaces, of responding to changing workplaces or of supporting lifelong learning. Rather, they emphasized that, given basic standards and protections for workers, a more important role for government should be that of a facilitator — in providing information, in reporting best practices, in keeping abreast of changes as they are happening, and in promoting the development of partnerships between government, employers and labour.

Because many of the suggestions of workers and employers revolve around the interests and collaboration of key partners — workers, employers, unions, associations and others — *widespread consultation* on this report could be useful.

Annex A: Definitions of Terms Used in the Report

Some working definitions used in this report include:

At-home work: This is work which individuals do at home, either on a regular or occasional basis, including telework.

Bundling labour standards: This means bringing together a complete package of labour practices, which in their total effect may meet the quality of work objectives of the *Code*. As an illustration, workers and employers might be able to bundle holidays and overtime — for example, trading overtime pay in favour of extended holidays at the point of usual statutory holidays. In the Australian model, such "internal agreements" must be approved by the respective labour standards agencies to ensure that protections for workers in an overall sense are not undermined.

Corporate culture: This refers to the company or workplace values, and related features such as the company mission, human resources policies and practices of the company, attitudes and values of managers and supervisors, and attitudes and values of employees, and how these are reflected in written policies, training and evaluation of managers.

Family-friendly workplace policies/practices: By this is meant workplace policies or practices which aid workers in balancing the demands of work with the needs of family life. For example such practices would include allowing sick days for care of a sick child or parent, allowing time off to meet teachers, flextime generally, and so on.

Labour Standards: This refers to conditions of work which employers are required by law to observe in their treatment of workers. Usually these include provisions for payment of wages, notice, severance, maternity leave, and many other conditions.

Lifelong learning: There is no universal definition of this, but the OECD has a useful discussion which suggests a definition: "Successful participation in lifelong learning may be said to display four characteristics: individuals are motivated to learn on a continuing basis; they are equipped with the necessary cognitive and other skills to engage in self-directed learning; they have access to opportunities for learning on a continuing basis; and they have financial and cultural incentives to participate". [Education Policy Analysis, OECD, July 1998].

Non-Standard Work: Most typically, non-standard work is seen as including contract or contingency work, part-time work, at-home work and telework.

Annex B: Process for the Field Research (Focus Groups/Key Informant Interviews)

Key informants were contacted by telephone to set up interview appointments. This telephone contact was usually followed by a letter explaining the purpose of the study and the importance of an interview. All key informants were sent a copy of the topics to be discussed in advance of the interview. This allowed key informants to familiarize themselves with the issues that were to be addressed during the interviews. Interviews began in March, 1999. Most interviews were planned for completion by SPR senior staff, in-person (where possible), with telephone interviews arranged where in-person interviews were not possible. On average, the interviews were scheduled to last not more than one hour.

Focus Group Logistics: Smaller companies frequently indicated that it was difficult, or impossible, to allow workers to take an hour or more away from the workday in order to participate in a discussion group. Therefore, many of the discussion groups were planned for the lunch hour, or were scheduled with smaller groups — 4-5 workers rather than 6-12 participants which might typically be expected with focus groups. Focus groups were conducted with between 3 and 20 participants. All respondents were guaranteed confidentiality to ensure honest and open answers.

Altogether, focus groups/interviews were conducted with 14 firms in transportation areas (movement of people or goods by trucking, air, water, and bus); 4 banks; 9 in communications and couriers; 2 crown corporations, and 3 in other sectors. Of these, 21 were non-unionized, and 11 were unionized; 13 were large, 5 medium and 14 small firms.[95]

[95] Firms studied were classified by size as follows: firms with 99 or fewer workers were classified as small; firms with 100 to 499 workers were classified as medium; firms with 500+ workers were classified as large. It is noted that these conventions do not always provide a clear view of what a workplace is like. For example, we have classified banks as "large" but, in two cases, we studied local branches, which are a lot like small businesses in their local operations, even though the overall corporation is very large.

Annex C: Some Additional Notes on Flexible/Supportive Workplace Policies and Potential Economic Benefits

C.1 Availability of Flexible Work Policies and Potential Economic Benefits

Clearly, many of the changing conditions of work factors noted in this study create problems for Canadian workers, and challenges for business managers to respond. Previous research suggests that these changes also create stresses and economic costs for Canadian business which could be reduced by flexible workplace practices. And similar effects have been noted specifically regarding family life and learning. But, how much margin for change is there? And what is suggested in the way of potential benefits for business and Canada? Some of the following analyses are exploratory and illustrative, supported by multivariate analyses as well as past research. These analyses reinforce findings from the focus groups and interviews using Canadian evidence, to supplement the primarily U.S. evidence noted in Section 1.4.[96]

Margin for improvements in workplace flexibility: To consider the potential for workplace practices to offset-negative effects of workplace changes, we re-examined data from the 1998 evaluation surveys, to assess in more detail what Canadian employers now do to aid flexibility in work. This allows us to assess the marginal room for improvement in how employers deal with flexible work practices. Then, to illustrate the potential for economic gains, we examine the degree to which economic advantages are associated

[96] These analyses are primarily descriptive, but supported by multivariate analyses which were run in both directions (profitability was an independent variable in one set of analyses, and the dependent variable in the other set). The results of these analyses were symmetrical, as would be expected in a single point-in-time analysis. It must be emphasized that this research demonstrates association between flexible and supportive practices, and profitability, but does not prove causality. Causality cannot be proven with a single-point-in-time analysis. Rather, causality would need to be demonstrated by longitudinal, experimental or quasi-experimental research which is rare and difficult to implement in business. Previous research, however, shows that the predominant view of human resources managers and key researchers is that a clear causal connection exists between the introduction of such policies and practices, and increased benefits. See Bond et al., 1998, regarding assessments of human resources managers. Even so, an alternative explanation likely accounts for part of this association — that profitable firms are better able to reward their employees by introducing such policies. More research would be needed to further examine this topic.

with employers offering workers one key flexible workplace benefit — time off in lieu of paid overtime.[97]

How flexible are Canadian workplaces? Generally, the 1998 surveys indicated that Canadian employers have only limited interest in flexible work practices. For example, only 22 percent of federal sector employers reported providing regular access to flex-time, and only 9 percent provided regular access to job-sharing. In spite of recognizing the value of alternative treatment of overtime, only 39 percent of employers provided their workers with access to time off in lieu of overtime, and this was not accessible to all workers (only 20 percent of workers reported they could take time off in lieu of overtime).

Potential economic benefits: The focus groups and employer interviews conducted for this study indicated that economic benefits were produced by these types of policies. Additionally, considerable international research and research from Statistics Canada suggests that flexible policies result in economic advantages, as was noted in Section 1.4.

To validate these assessments using Canadian evidence, the study team examined 1998 evaluation survey evidence regarding the reported profitability of federal sector firms which did and did not provide time off in lieu of overtime (only for-profit firms were included — Crown corporations were not included in this analysis of the 1998 data).

The results (see Display C.1) further suggest that profitability and a flexible workplace policy, in this case providing workers with access to time-off in lieu of paid overtime, are associated. In Display C.1, drawn from 1998 survey data, it can be seen that *firms allowing time off* in lieu of overtime were 10 percent more likely than other firms (67 percent to 57 percent) to report that their operations are profitable.[98]

That these associations were statistically significant was indicated by a multivariate analysis of the 1998 survey data.[99] As is shown immediately following, similar findings were noted for family-friendly and learning-friendly policies, although the reader is reminded that association *per se* is not proof of causality. These results, it is noted in Annex D, could be the subject of further research.

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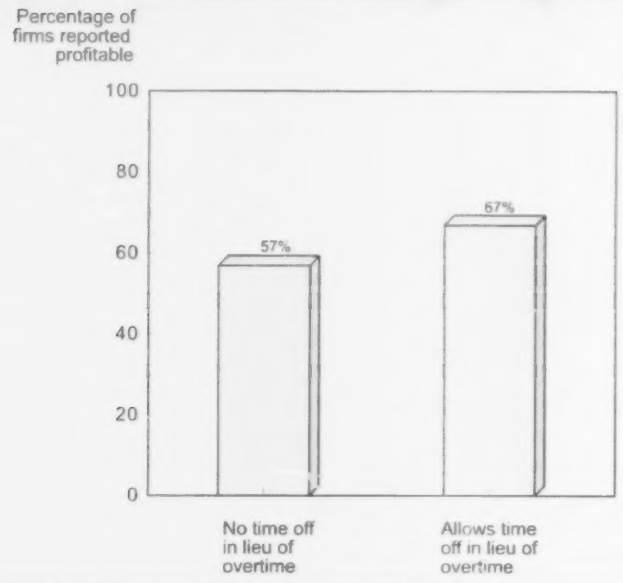
97 It is noted that some difficulties surround the use of time off in lieu of overtime. One key problem is that "time off" is not indicated as an allowable option in the *Code per se*. Thus, many employers believe that they cannot offer this option to their workers. A second problem, on the employer side, is that most employers would like to provide time off at straight time rates, whereas the *Code* suggests that time off would be at time and a half.

98 It is noted that certain difficulties surround the measurement of profitability. The 1998 survey relied on a subjective assessment of managers as to whether the firm was currently operating at a loss, at break-even, or profitably (see HRDC, 1998).

99 The relationship between the 1998 indicator of profitability and time-off in lieu of overtime pay was found to be independently significant in a multiple regression controlling for industry, company size and unionization, as suggested earlier. These regressions were run in both directions, with symmetrical results. Causality cannot be demonstrated from such an analysis, but this does not mean that hypotheses or tentative indications cannot be drawn regarding causality. Indeed, broader research provides a strong basis for hypothesizing a causal relationship. Elsewhere, for example, this report has discussed Bond's assessment — based on extensive research with American human resources managers — that the main direction of causality in this area is from family-friendly and supportive policies, *to* economic profitability. More research would be required, however, to confirm the nature of this causal relationship and the extent to which this assessment explains the relationship found in this analysis (see Annex D).

DISPLAY C.1
Association between Profitability[100] of Federal Sector Firms and Allowance of Time Off in Lieu of Paid Overtime (percentage of firms indicating they were operating profitability) (1998 survey data, previously unpublished)



C.2 Availability and Potential Business Benefits of Family-Friendly Policies

Extent of use of family-friendly policies: As suggested throughout the focus group and interview analysis (and prior research), businesses obtain many benefits from having family-friendly policies. Yet not all businesses promote family-friendly policies. Indeed, only a minority of Canadian businesses, perhaps 20-40 percent, offer each of the kinds of family-friendly provisions we have examined in detail. For example, according to the 1998 employer survey, common family-friendly policies or services were offered by the following percentages of businesses:

42 percent	unpaid leave for family emergencies to care for children;
38 percent	unpaid leave for family emergencies to care for elderly parents;
33 percent	paid leave for family emergencies to care for children;
22 percent	paid leave for family emergencies to care for elderly parents; and
25 percent	employee assistance programs.[101]

[100] Employers classified their firms on a seven-step scale where 1 = "Not Profitable", 7 = "Profitable", and 4 = "Neutral". Firms rated as 5, 6 or 7 were classified as "reported profitable" in this analysis.

[101] Additionally, a family-friendly practice not examined in detail — child care assistance — was offered by 2 percent of firms.

These data suggest that the potential for Canadian businesses to expand family-friendly policies and practices is considerable — that many firms have "room" to establish such policies, and that many others have some, but not a full range of supportive policies.

Potential economic benefits: We also examined the potential *economic gains* which might be obtained by businesses providing more family-friendly policies, by examining the reported profitability of private sector firms which provided minimal (0-1) versus greater (2+) family-friendly policies (Crown corporations were not included in this analysis, as they were not asked the profitability question).

The results, shown in Display C.2 below, further illustrate the focus group and interview findings, showing that firms which provide more extensive family-friendly policies were also more likely to report that they are profitable — so that family-friendly policies and profitability are associated.

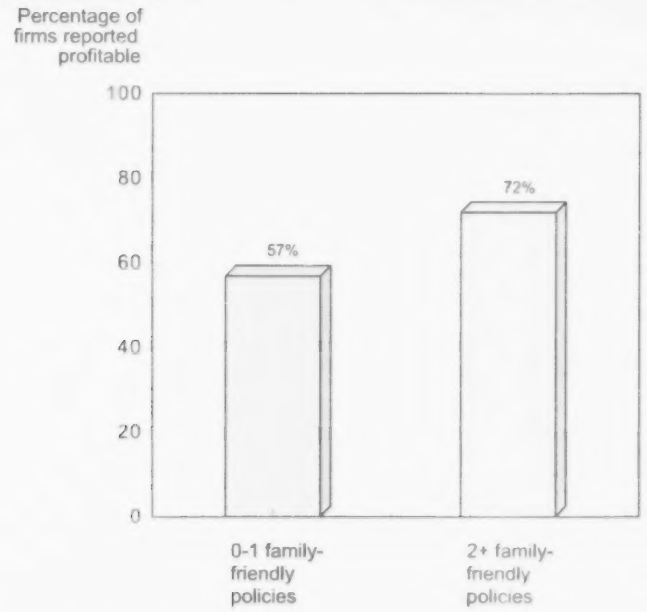
Indeed, firms with more extensive family-friendly policies were 15 percent more likely to describe their operations as profitable (72 percent), as compared to firms with few or no family-friendly policies (57 percent). As with the analysis of time-off in lieu of paid overtime, the association between profitability and the availability of family-friendly policies was found to be statistically significant and independent of industry, company size or unionization, although that association *per se* does not prove causality.[102]

This analysis reinforces the focus group and interview findings, suggesting that there may be an important benefit to be obtained from government educating and informing employers of the potential economic benefits, as well as human benefits, of implementing family-friendly policies and practices in their workplaces.

The overall potential benefits to Canada are apparent. When workers can balance their work and family life then families and the workplace can be supportive of each other. Family activities can take place on a regular basis, spouses and children benefit, and the overall benefits to family life and society can be significant.

[102] Again, regressions were run in both directions (e.g., with profitability as a dependent variable and as an independent variable), with symmetrical results. The reader is reminded to examine notes on the preceding pages regarding causality limitations and the need for further research.

DISPLAY C.2
Association between Profitability[103] of Federal Sector Firms and Extent of Family-Friendly Policies (percentage of firms indicating they were operating profitability) (1998 survey data, previously unpublished)



C.3 Availability and Potential Business Benefits of Learning-Friendly Policies

Extent of learning-friendly policies: Businesses obtain many benefits from having learning-friendly policies, as the focus groups and interviews emphasized. Yet not all businesses promote learning-friendly policies. Indeed, only a portion of Canadian businesses, some 13-53 percent, offer most of the kinds of learning-friendly provisions discussed. For example, in our 1998 survey, key policies or options were reported to be offered by the following percentages of businesses:

53 percent	on the job training
45 percent	pay for fees or tuition
36 percent	time off with pay for education/training
35 percent	schedule adjustments for training/education
22 percent	time off without pay for training education
21 percent	unpaid educational leave
13 percent	paid educational leave.

[103] See earlier note on measurement of profitability.

These data suggest that the potential for Canadian businesses to expand their learning-friendly policies and practices is considerable, that many firms need to establish such policies, and that many others have some, but not a full range of supportive policies.

Potential economic benefits: Following the approach used in the preceding pages, we also examined the potential *economic gains* which were associated with businesses providing more learning-friendly policies. This was done by examining the reported profitability of private sector firms which provided minimal (0-1) or greater (2+) learning-friendly policies (Crown corporations were not included in this analysis, as they were not asked the profitability question).

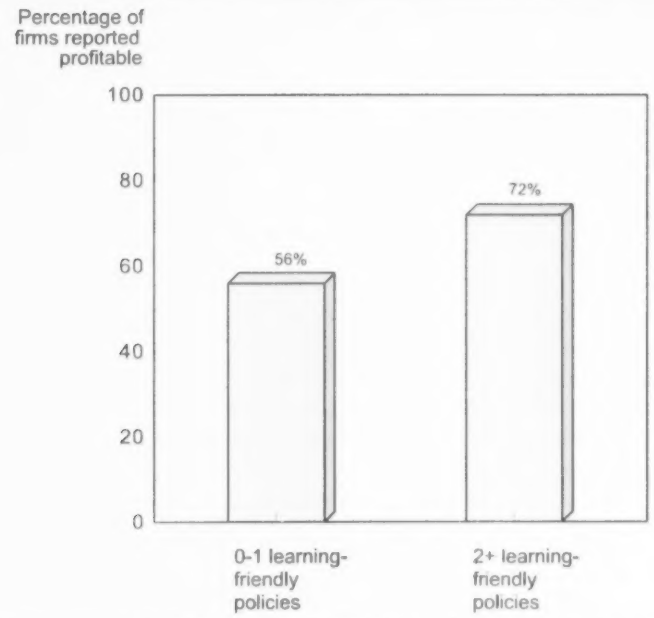
The results shown in Display C.3 below reaffirm the focus group and interview findings, and illustrate that profitability and learning-friendly policies are associated. Indeed, firms with more extensive learning-friendly policies were 16 percent more likely to describe their operations as profitable (72 percent), as compared to firms with few or no learning-friendly policies (56 percent).

As with the analysis of time-off in lieu of paid overtime, the association between profitability and the availability of learning-friendly practices was statistically significant and independent of industry, company size or unionization, although attribution of causality is not possible on the basis of a cross-sectional analysis.[104]

[104] Again, these analyses are primarily descriptive, but supported by multivariate analyses which were run in both directions. It must be emphasized that this research demonstrates association between flexible and supportive practices, and profitability, but does not prove causality. Causality would need to be demonstrated by longitudinal, experimental or quasi-experimental research which is rare and difficult to implement in business. However, it appears that the predominant view of human resources managers and key researchers is that a clear causal connection exists between the introduction of such policies and practices, and increased benefits. See Bond et al., 1998, regarding assessments of human resources managers.

DISPLAY C.3

Association between Profitability[105] of Federal Sector Firms and Extent of Learning-Friendly Policies (percentage of firms indicating they were operating profitability) (1998 survey data, previously unpublished)



[105] See earlier note on measurement of profitability.

Annex D: Some Possible Areas for Further Research

Some possible areas for further research could include:

- To better estimate potential business and societal economic benefits of family-friendly policies and practices, more research would be needed. Additionally, further analysis of Statistics Canada data on hours of work and health (Canada Population Health Survey) could be useful. A particular feature of interest could be to better estimate the extent to which direct economic benefits flow directly from family-friendly and related policies and practices.

- It might be useful to study the extent to which learning outside of direct-job-related or skills training affects worker and business productivity. Most research in this area has focused on job-related training, with little attention to learning more generally.

- A more in-depth examination of the factors which make unions and employers responsive to workers' family and learning needs could be useful. Factors noted in past research include managers' gender and age; the ways in which these factors influence policies could be clarified. Additional topics of interest could include how assessments of flexible and family and learning-friendly policies vary between human resources and other managers.

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